Pillar 3 Regulatory Capital and Liquidity Coverage Ratio Disclosures for the quarterly period ended March 31, 2019

Nomura Holdings, Inc.

CONTENTS

PART 1: NHI Consolidated Capital Ratios

CHAPTER 1 Disclosure On Capital Items

(Unit: JPY million, %)

CC1: Composition of regulatory capital

Basel III template No.	Item	a	b
		March 31, 2019	Reference numbers of CC2
Common Equity Tier 1 Capital: Instruments and Reserves(1)			
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	2,657,140	
1a	out of which, capital and capital surplus	1,282,254	1a
2	out of which, retained earnings	1,483,853	2
1c	out of which, investments in own shares (-)	108,967	1c
26	out of which, expected outflow of funds from businesses (-)	—	
	out of which, amounts except for the above items	—	
1b	Share warrant related to common share	—	
3	Accumulated other comprehensive income and other disclosed reserves	(29,050)	3
5	Adjusted amount of minority interests related to Common Equity Tier 1 capital	28	
6	Common Equity Tier 1 capital before regulatory adjustments (A)	2,628,118	
Common Equity Tier 1 Capital: Regulatory Adjustments(2)			
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)	110,094	
8	out of which, goodwill (net of related tax liability, including those equivalent)	1,324	
9	out of which, intangibles other than goodwill and mortgage-servicing rights	108,770	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)	525	
11	Cash flow hedge reserve	—	
12	Shortfall of provisions to expected losses	31,643	
13	Securitization gain on sale	—	
14	Own credit valuation	27,341	
15	Defined-benefit pension fund net assets	12,826	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	5,965	
17	Reciprocal cross-holdings in common equity	—	
18	Investments in the capital of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)	—	

(Unit: JPY million, %)

Basel III template No.		Item		a March 31, 2019	b Reference numbers of CC2
19+20+21		Amount exceeding the 10% threshold on specific items		–	
19		out of which, significant investments in the capital of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)		–	
20		out of which, mortgage-servicing rights		–	
21		out of which, deferred tax assets arising from temporary differences (net of related tax liability)		–	
22		Amount exceeding the 15% threshold on specific items		–	
23		out of which, significant investments in the common stock of financial institutions		–	
24		out of which, mortgage-servicing rights		–	
25		out of which, deferred tax assets arising from temporary differences (net of related tax liability)		–	
27		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		–	
28		Total regulatory adjustments to Common Equity Tier 1 capital	(B)	188,397	
Common Equity Tier 1 Capital					
29		Common Equity Tier 1 capital ((A) – (B))	(C)	2,439,720	
Additional Tier 1 Capital: Instruments(3)					
31a	30	Additional Tier 1 instruments classified as shareholder’s equity		–	
31b	30	Additional Tier 1 instruments classified as share warrant		–	
32	30	Additional Tier 1 instruments classified as debt		165,000	
	30	Additional Tier 1 instruments issued by special purpose vehicle, etc.		–	
34-35		Adjusted amount of minority interests related to Additional Tier 1 capital		1,219	
33+35		Capital instruments subject to transitional arrangements included in Additional Tier 1 capital		–	
33		out of which, instruments issued by Group or special purpose vehicle controlled by Group		–	
35		out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)		–	
36		Additional Tier 1 capital before regulatory adjustments	(D)	166,219	

(Unit: JPY million, %)

Basel III template No.	Item		a March 31, 2019	b Reference numbers of CC2
Additional Tier 1 Capital: Regulatory Adjustments				
37	Investments in own Additional Tier 1 instruments		—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments		—	
39	Investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)		—	
40	Significant investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)		—	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier2 to cover deductions		—	
43	Regulatory adjustments to Additional Tier 1 capital	(E)	—	
Additional Tier 1 Capital				
44	Additional Tier 1 capital ((D) – (E))	(F)	166,219	
Tier1 Capital				
45	Tier 1 capital ((C) + (F))	(G)	2,605,940	
Tier 2 Capital: Instruments and Provisions(4)				
46	Tier 2 instruments classified as shareholder's equity		—	
	Tier 2 instruments classified as share warrant		—	
	Tier 2 instruments classified as debt		—	
	Tier 2 instruments issued by special purpose vehicle, etc.		—	
48-49	Adjusted amount of minority interests related to Tier 2		293	
47+49	Capital instruments subject to transitional arrangements		45,660	
47	out of which, instruments issued by Group or special purpose vehicle controlled by Group		45,660	
49	out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)		—	
50	Provisions		—	
50a	out of which, general provisions included in Tier 2		—	
50b	out of which, eligible provisions included in Tier 2		—	
51	Tier 2 capital before regulatory adjustments	(H)	45,953	

(Unit: JPY million, %)

Basel III template No.	Item	a March 31, 2019	b Reference numbers of CC2
Tier 2 Capital: Regulatory Adjustments(5)			
52	Investments in own Tier 2 instruments	–	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	–	
54	Investments in Tier2 instruments and other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	
54a	Investments in the other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation and where the group does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–	
55	Significant investments in Tier2 instruments and other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
57	Regulatory adjustments to Tier 2 capital (I)	–	
Tier 2 Capital			
58	Tier 2 capital ((H) – (I)) (J)	45,953	
Total Capital			
59	Total capital ((G) + (J)) (K)	2,651,893	
Risk-Weighted Assets(6)			
60	Total risk-weighted assets (L)	14,251,587	
Capital Ratios and buffers(7)			
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))	17.11%	
62	Consolidated Tier 1 ratio ((G) / (L))	18.28%	
63	Consolidated total capital ratio ((K) / (L))	18.60%	
64	Total of group CET1 specific buffer requirements (%)	3.11%	
65	Of which: capital conservation buffer requirement (%)	2.50%	
66	Of which: countercyclical buffer requirement (%)	0.11%	
67	Of which: G-SIB and/or D-SIB additional requirements (%)	0.50%	
68	Common Equity Tier 1 available after meeting the group’s minimum capital requirements (%)	10.60%	

(Unit: JPY million, %)

Basel III template No.	Item	a March 31, 2019	b Reference numbers of CC2
Amounts below the Thresholds for Deduction(8)			
72	Non-significant investments in the capital instruments of other financial institutions	122,196	
73	Significant investments in the common stock of financial institutions	172,127	
74	Mortgage-servicing rights (net of related tax liability)	—	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2,042	
Applicable Caps on the Inclusion of Provisions in Tier 2(9)			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	—	
77	Caps on inclusion of provisions in Tier 2 under standardized approach	—	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	—	
79	Caps on inclusion of eligible provisions in Tier 2 under internal ratings-based approach	—	
Capital Instruments Subject to Transitional Arrangements(10)			
82	Current cap on Tier 1 instruments subject to transitional arrangements	—	
83	Amount excluded from Tier 1 due to cap (excess over cap after redemptions and maturities)	—	
84	Current cap on Tier 2 instruments subject to transitional arrangements	45,660	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	107,540	

(Unit: JPY million, %)

Basel III template No.	Item	a	b
		December 31, 2018	March 31, 2018
Common Equity Tier 1 Capital: Instruments and Reserves(1)			
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	2,660,895	2,806,420
1a	out of which, capital and capital surplus	1,278,017	1,269,772
2	out of which, retained earnings	1,493,688	1,694,635
1c	out of which, investments in own shares (-)	110,809	157,987
26	out of which, expected outflow of funds from businesses (-)	―	―
	out of which, amounts except for the above items	―	―
1b	Share warrant related to common share	―	―
3	Accumulated other comprehensive income and other disclosed reserves	(349)	(59,356)
5	Adjusted amount of minority interests related to Common Equity Tier 1 capital	26	―
6	Common Equity Tier 1 capital before regulatory adjustments (A)	2,660,572	2,747,064
Common Equity Tier 1 Capital: Regulatory Adjustments(2)			
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)	108,724	190,066
8	out of which, goodwill (net of related tax liability, including those equivalent)	1,097	78,523
9	out of which, intangibles other than goodwill and mortgage-servicing rights	107,626	111,543
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)	742	1,844
11	Cash flow hedge reserve	―	―
12	Shortfall of provisions to expected losses	27,542	25,756
13	Securitization gain on sale	―	―
14	Own credit valuation	35,211	6,702
15	Defined-benefit pension fund net assets	10,227	10,564
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	6,354	12,167
17	Reciprocal cross-holdings in common equity	―	―
18	Investments in the capital of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)	―	―

(Unit: JPY million, %)

Basel III template No.		Item		a December 31, 2018	b March 31, 2018
19+20+21		Amount exceeding the 10% threshold on specific items		—	—
19		out of which, significant investments in the capital of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)		—	—
20		out of which, mortgage-servicing rights		—	—
21		out of which, deferred tax assets arising from temporary differences (net of related tax liability)		—	—
22		Amount exceeding the 15% threshold on specific items		—	—
23		out of which, significant investments in the common stock of financial institutions		—	—
24		out of which, mortgage-servicing rights		—	—
25		out of which, deferred tax assets arising from temporary differences (net of related tax liability)		—	—
27		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		—	—
28		Total regulatory adjustments to Common Equity Tier 1 capital	(B)	188,803	247,099
Common Equity Tier 1 Capital					
29		Common Equity Tier 1 capital ((A) – (B))	(C)	2,471,769	2,499,966
Additional Tier 1 Capital: Instruments(3)					
31a	30	Additional Tier 1 instruments classified as shareholder's equity		—	—
31b	30	Additional Tier 1 instruments classified as share warrant		—	—
32	30	Additional Tier 1 instruments classified as debt		165,000	165,000
	30	Additional Tier 1 instruments issued by special purpose vehicle, etc.		—	—
34-35		Adjusted amount of minority interests related to Additional Tier 1 capital		1,156	1,401
33+35		Capital instruments subject to transitional arrangements included in Additional Tier 1 capital		—	—
33		out of which, instruments issued by Group or special purpose vehicle controlled by Group		—	—
35		out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)		—	—
36		Additional Tier 1 capital before regulatory adjustments	(D)	166,156	166,401

(Unit: JPY million, %)

Basel III template No.	Item	a December 31, 2018	b March 31, 2018
Additional Tier 1 Capital: Regulatory Adjustments			
37	Investments in own Additional Tier 1 instruments	—	—
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—
39	Investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)	—	—
40	Significant investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier2 to cover deductions	—	—
43	Regulatory adjustments to Additional Tier 1 capital (E)	—	—
Additional Tier 1 Capital			
44	Additional Tier 1 capital ((D) – (E)) (F)	166,156	166,401
Tier1 Capital			
45	Tier 1 capital ((C) + (F)) (G)	2,637,925	2,666,367
Tier 2 Capital: Instruments and Provisions(4)			
46	Tier 2 instruments classified as shareholder's equity	—	—
	Tier 2 instruments classified as share warrant	—	—
	Tier 2 instruments classified as debt	—	—
	Tier 2 instruments issued by special purpose vehicle, etc.	—	—
48-49	Adjusted amount of minority interests related to Tier 2	278	330
47+49	Capital instruments subject to transitional arrangements	60,880	66,083
47	out of which, instruments issued by Group or special purpose vehicle controlled by Group	60,880	60,880
49	out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)	—	5,203
50	Provisions	—	—
50a	out of which, general provisions included in Tier 2	—	—
50b	out of which, eligible provisions included in Tier 2	—	—
51	Tier 2 capital before regulatory adjustments (H)	61,158	66,412

(Unit: JPY million, %)

Basel III template No.	Item		a December 31, 2018	b March 31, 2018
Tier 2 Capital: Regulatory Adjustments				
52	Investments in own Tier 2 instruments		—	—
53	Reciprocal cross-holdings in Tier 2 instruments		—	—
54	Investments in Tier 2 instruments of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)		—	—
55	Significant investments in Tier 2 instruments of other financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)		—	327
57	Regulatory adjustments to Tier 2 capital	(I)	—	327
Tier 2 Capital				
58	Tier 2 capital ((H) – (I))	(J)	61,158	66,086
Total Capital				
59	Total capital ((G) + (J))	(K)	2,699,084	2,732,453
Risk-Weighted Assets(5)				
60	Total risk-weighted assets	(L)	13,799,058	15,122,291
Capital Ratios				
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))		17.91%	16.53%
62	Consolidated Tier 1 ratio ((G) / (L))		19.11%	17.63%
63	Consolidated total capital ratio ((K) / (L))		19.55%	18.06%
Amounts below the Thresholds for Deduction(6)				
72	Non-significant investments in the capital instruments of other financial institutions		112,955	119,467
73	Significant investments in the common stock of financial institutions		156,961	185,592
74	Mortgage-servicing rights (net of related tax liability)		—	—
75	Deferred tax assets arising from temporary differences (net of related tax liability)		1,636	3,703
Applicable Caps on the Inclusion of Provisions in Tier 2(7)				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		—	—
77	Caps on inclusion of provisions in Tier 2 under standardized approach		—	—
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)		—	—
79	Caps on inclusion of eligible provisions in Tier 2 under internal ratings-based approach		—	—

(Unit: JPY million, %)

Basel III template No.	Item	a	b
		December 31, 2018	March 31, 2018
Capital Instruments Subject to Transitional Arrangements(8)			
82	Current cap on Tier 1 instruments subject to transitional arrangements	–	–
83	Amount excluded from Tier 1 due to cap (excess over cap after redemptions and maturities)	–	–
84	Current cap on Tier 2 instruments subject to transitional arrangements	60,880	104,880
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	92,220	92,320

CHAPTER 2 QUALITATIVE DISCLOSURE

1. Scope of Consolidation

(1) Differences between those companies belonging to the corporate group (“Nomura Group”) to which the calculation of consolidated capital adequacy ratio as stipulated in Article 2 of the Consolidated Capital Adequacy Notice on Final Designated Parent Company (the “Capital Adequacy Notice”) published by Financial Services Agency of Japan (“FSA”) is applicable and those companies that are included in the scope of consolidation based on consolidation rule for preparation of consolidated financial statements (the “scope of consolidation for accounting purposes”) and the reason for such differences.

Consolidated insurance subsidiaries are treated as unconsolidated subsidiaries as per Article 3, Paragraph 3 of the Capital Adequacy Notice.

Consolidated VIEs are treated as unconsolidated subsidiaries in calculating our capital adequacy ratio in consideration of the economic substance. Therefore, intra-company transactions with such VIEs are not eliminated and counterparty credit risk arising from those transactions is included in credit RWA (risk-weighted assets) for the purpose of the calculation of our capital adequacy ratio. In addition, any investments by non-VIE Nomura Group entities in the assets under management by such VIEs are captured in RWA for either credit or market risk.

(2) Number of consolidated subsidiaries, and names and principal businesses of major consolidated subsidiaries of the holding company group

There are 186 companies as of March 31, 2019.

Nomura Securities Co., Ltd (Japan, securities business), Nomura International PLC (United Kingdom, securities business), Nomura Securities International Inc. (U.S.A, securities business), Nomura International (Hong Kong) Limited (Hong Kong, securities business) and Nomura Financial Products & Services, Inc. (Japan, securities business) and others.

(3) Number of affiliated companies which engaged in financial operations which are subject to the provisions of Articles 9 of the Capital Adequacy Notice, as well as their names, amounts of total assets and net assets shown on the balance sheet, and principal businesses

Not applicable.

(4) Names, amounts of total assets and net assets shown on the balance sheet, and principal businesses of (i) companies which belong to Nomura Group but are not included in the scope of consolidation for accounting purposes and (ii) companies which do not belong to Nomura Group but are included in the scope of consolidation for accounting purposes.

There are no such companies which fall under (i) above.

As of March 31, 2019, the following companies fall under (ii):

Nomura Reinsurance ICC Limited, (Guernsey, insurance business, total assets of 0.05 billion yen and net assets of 0.05 billion yen);

Nomura Reinsurance 1 IC Limited (Guernsey, insurance business, total assets of 29.8 billion yen and net assets of 1.6 billion yen);

Nomura Reinsurance 3 IC Limited (Guernsey, insurance business, total assets of 0.3 billion yen and net assets of 0.3 billion yen);

Nomura Reinsurance 5IC Limited (Guernsey, insurance business, total assets of 2.6 billion yen and net assets of 0.8 billion yen);

US CB Reinsurance 1 IC Limited (Guernsey, insurance business, total assets of 1.3 billion yen and net assets of 1.2 billion yen);

US CB Reinsurance 2 IC Limited (Guernsey, insurance business, total assets of 0.0 billion yen and net assets of 0.0 billion yen);

Nomura Americas Re. Ltd. (Bermuda, insurance business, total assets of 90.7 billion yen and net assets of 6.7 billion yen);

Nomura Americas US Re Ltd. (Bermuda, insurance business, total assets of 1.5 billion yen and net assets of 1.5 billion yen), as well as 1,172 VIEs.

(5) Outline of restrictions on transfer of funds or capital within Nomura Group.

In making decision on any transfer of funds or capital within Nomura Group, we make sure that the holding company and subsidiaries of Nomura Group will remain compliant with relevant capital adequacy regulations and it would neither compromise the soundness of respective companies’ operation nor cause negative impacts on their ability to fulfill payment obligations as well as their liquidity profile and profitability.

2. Overview of Risk Management

Business activities of Nomura Group are exposed to various risks such as market risk, credit risk, operational risk and other risks caused by external factors. Nomura Group has established a risk management framework to control, monitor and report those risks in a comprehensive manner in order to maintain financial soundness and to sustain and enhance its enterprise value.

(1) Risk Management

Nomura Group defines risks as (i) the potential erosion of Nomura Group's capital base due to unexpected losses arising from risks to which its business operations are exposed, such as market risk, credit risk, operational risk and model risk, (ii) liquidity risk, the potential lack of access to funds or higher cost of funding than normal levels due to a deterioration in Nomura Group's creditworthiness or deterioration in market conditions, and (iii) business risk, the potential failure of revenues to cover costs due to a deterioration in the earnings environment or a deterioration in the efficiency or effectiveness of its business operations. A fundamental principle established by Nomura Group is that all employees shall regard themselves as principals of risk management and appropriately manage these risks. Nomura Group seeks to promote a culture of proactive risk management throughout all levels of the organization and to limit risks to the confines of its risk appetite. The risk management framework that Nomura Group uses to manage these risks consists of its risk appetite, risk management governance and oversight, the management of financial resources, the management of all risk classes, and processes to measure and control risks. Each of these key components is explained in further detail below.

(2) Risk Appetite

Nomura Group has determined the types and maximum level of risk that it is willing to assume in pursuit of its strategic objectives and business plan and has articulated in its Risk Appetite Statement. This document is jointly submitted by the Chief Risk Officer ("CRO") and the Chief Financial Officer ("CFO") to the Executive Management Board ("EMB") for approval.

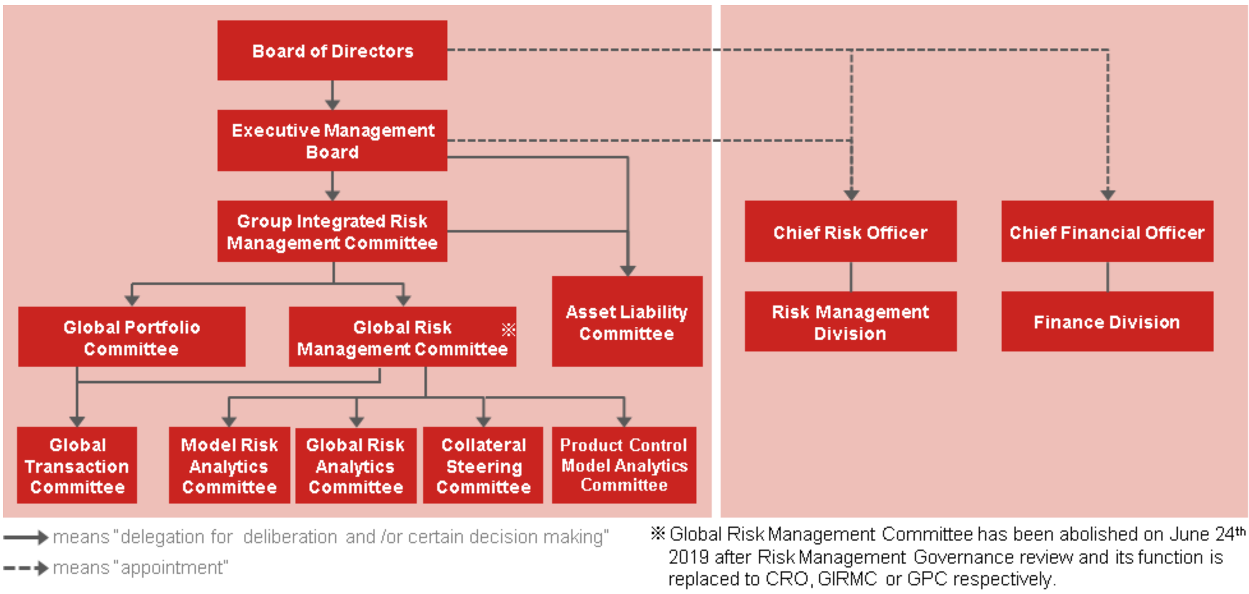
The Risk Appetite Statement provides an aggregated view of risk and includes capital adequacy and balance sheet measures, liquidity risk, market and credit risk, operational risk, compliance risk and model risk, and consists of quantitative metrics and qualitative statements. It is subject to regular monitoring and breach escalation as appropriate by the owner of the relevant risk appetite statement.

Nomura Group's Risk Appetite Statement is required to be reviewed annually by the EMB but is reviewed on an ad hoc basis, and must specifically be reviewed following any significant changes in Nomura Group's strategy. Risk appetite underpins Nomura Group's entire risk management framework.

(3) Risk Management Governance and Oversight

Committee Governance

Nomura Group has established a committee structure to facilitate effective business operations and management of its risks. The formal governance structure for risk management at Nomura Group is as follows:



※ Global Risk Management Committee has been abolished on June 24th 2019 after Risk Management Governance review and its function is replaced to CRO, GIRMC or GPC respectively.

Board of Directors ("BoD")

The BoD determines the policy for the execution of the business of Nomura Group and other matters prescribed in laws and regulations, supervises the execution of Directors' and Executive Officers' duties and has authority to adopt, alter or abolish the regulations of the Executive Management Board.

Executive Management Board ("EMB")

The EMB deliberates on and determines management strategy, the allocation of management resources and important management matters of Nomura Group, and seeks to increase shareholder value by promoting effective use of management resources and unified decision-making with regard to the execution of business. The EMB delegates responsibility for deliberation of matters concerning risk management to the Group Integrated Risk Management Committee. Key responsibilities of the EMB include the following:

- Resource Allocation — At the beginning of each financial year, the EMB determines the allocation of management resources and financial resources such as economic capital and unsecured funding to business units and establishes usage limits for these resources;
- Business Plan — At the beginning of each financial year, the EMB approves the business plan and budget of Nomura. Introduction of significant new businesses, changes to business plans, the budget and the allocation of management resources during the year are also approved by the EMB; and
- Reporting — The EMB reports the status of its deliberations to the BoD.

Group Integrated Risk Management Committee ("GIRMC")

Upon delegation from the EMB, the GIRMC deliberates on or determines important matters concerning integrated risk management of Nomura Group to assure the sound and effective management of its businesses. The GIRMC establishes Nomura Group's Risk Appetite and a framework of integrated risk management consistent with Nomura Group's risk appetite. The GIRMC supervises Nomura Group's risk management by establishing and operating its risk management framework. The GIRMC reports the status of key risk management issues and any other matters deemed necessary by the committee chairman to the BoD and the EMB.

In addition, the GIRMC, upon delegation from the EMB, has established the Risk Management Policy, describing Nomura Group's overall risk management framework including the fundamental risk management principles followed by Nomura Group.

Global Risk Management Committee ("GRMC")

Upon delegation from the GIRMC, the GRMC deliberates on or determines, based on strategic risk allocation and risk appetite determined by the GIRMC, important matters concerning market, credit, operational risk or reputational risk management of Nomura Group in order to assure the sound and effective management of Nomura Group's businesses. The GRMC reports to the GIRMC the status of discussions at its meetings and any other matters as deemed necessary by the committee chairman. (*Please note that Global Risk Management Committee has been abolished on June 24th 2019 after Risk Management Governance review and its function is replaced to CRO, GIRMC or GPC respectively.*)

Global Portfolio Committee ("GPC")

Upon delegation from the GIRMC, the GPC deliberates on or determines all matters in relation to the management of a specific portfolio, for the purpose of achieving a risk profile consistent with the risk allocation and risk appetite of Nomura. The portfolio consists of businesses and products that fall within at least one of the three following categories: event financing, term financing and asset-based financing.

Asset Liability Committee ("ALCO")

Upon delegation from the EMB and the GIRMC, the ALCO deliberates on, based on Nomura Group's risk appetite determined by the EMB, balance sheet management, financial resource allocation, liquidity management and related matters. The ALCO reports to the GIRMC the status of discussions at its meetings and any other matters as deemed necessary by the committee chairman.

Global Risk Analytics Committee ("GRAC") and Model Risk Analytics Committee ("MRAC")

Upon delegation from the GRMC, the GRAC and the MRAC deliberate on or determine matters concerning the development, management and strategy of risk models and valuation models, respectively. The committees' primary responsibility is to govern and provide oversight of model management, including the approval of new models and significant model changes. Both committees report all significant matters and material decisions taken to the GRMC, on a regular basis. (*Please note that Global*

Risk Management Committee has been abolished on June 24th 2019 after Risk Management Governance review and its function is replaced to CRO.)

<u>Global Transaction Committee ("GTC")</u>

Upon delegation from the GRMC and the GPC, the GTC deliberates on or determines individual transactions in line with Nomura's risk appetite determined by the GIRMC and thereby assures the sound and effective management of Nomura's businesses. (*Please note that Global Risk Management Committee has been abolished on June 24th 2019 after Risk Management Governance review and its function is replaced to GPC only.*)

Collateral Steering Committee (“CSC”)

Upon delegation from the GRMC, the CSC deliberates on or determines Nomura’s collateral risk management, including concentrations, liquidity, collateral re-use, limits and stress tests, provides direction on Nomura’s collateral strategy and ensures compliance with regulatory collateral requirements. (*Please note that Global Risk Management Committee has been abolished on June 24th 2019 after Risk Management Governance review and its function is replaced to CRO.*)

CRO

The CRO is responsible for setting the overall strategy and direction of the Risk Management Division. The CRO is responsible for supervising the Risk Management Division and maintaining the effectiveness of the risk management framework independently from the business units within Nomura Group. The CRO regularly reports on the status of Nomura Group’s risk management to the GIRMC, and reports to and seeks the approval of the GIRMC on measures required for risk management.

CFO

The CFO is responsible for overall financial strategy of Nomura Group and, upon delegation from the EMB, has operational authority and responsibility over Nomura’s liquidity management based on decisions made by the EMB.

(4) Risk Management Division

The Risk Management Division comprises various departments or units in charge of risk management established independently from Nomura Group’s business units. The Risk Management Division is responsible for establishing and operating risk management processes, establishing and enforcing risk management policies and regulations, verifying the effectiveness of risk management methods, gathering reports from Nomura Group entities, reporting to Executive Officers/Senior Managing Directors and the GIRMC and others, as well as reporting to regulatory bodies and handling regulatory applications concerning risk management methods and other items as necessary. Important risk management issues are closely communicated between members of the Risk Management departments and the CRO. The CRO and/or Co-CRO regularly attend the EMB and GIRMC meetings to report specific risk issues.

(5) Risk Policy Framework

Policies and procedures are essential tools of governance used by the Risk Management Division. They define principles, rules and standards, and the specific processes that must be adhered to in order to effectively manage risk at Nomura Group. The Risk Management Division has established a risk policy framework to promote appropriate standards and consistency for risk policies and procedures and to articulate the principles and procedures conducive to effective risk management. All risk management policies and procedures are developed in line with this policy framework and a defined process is followed for any exceptions.

(6) Monitoring, Reporting and Data Integrity

Development, consolidation, monitoring and reporting of risk management information (“risk MI”) are fundamental to the appropriate management of risk. The aim of all risk MI is to provide a basis for sound decision-making, action and escalation as required. The Risk Management Division and the Finance Division are responsible for producing regular risk MI, which reflects the position of Nomura Group relative to stated risk appetite. Risk MI includes information from across the risk classes defined in the risk management framework and reflect the use of the various risk tools used to identify and assess those risks. The Risk Management Division is responsible for implementing appropriate controls over data integrity for risk MI.

(7) Management of Financial Resources

Nomura Group has established a framework for management of financial resources in order to adequately manage utilization of these resources. The EMB allocates financial resources to business units at the beginning of each financial year. These allocations are used to set revenue forecasts for each business units. Key components are set out below:

Risk-weighted Assets (RWA)

RWA is calculated from risk amounts used for the measurement of consolidated capital adequacy ratios. The EMB sets RWA limits for business divisions, etc. in accordance with the prudential standards on a consolidated basis for NHI (Nomura Holdings Inc.). Finance Division is responsible for monitoring usage amounts under RWA limits and reporting them to the EMB.

Economic Capital

Nomura Group’s internal measure of the capital required to support its business is the Nomura Capital Allocation Target (“NCAT”), which is measured as the amount of capital required to absorb unexpected losses over a one-year time horizon under a severely adverse scenario. For quantification purposes, a severely adverse scenario is defined as the unexpected loss computed by risk models at the 99.95th percentile. NCAT consists of i) portfolio NCAT, which captures the risks directly impacting the value of specific positions such as market risk, credit risk, asset liquidity risk and other risks such as event risk to account for portfolio risks not easily covered in a historically calibrated model, and ii) non-portfolio NCAT, which captures the risks not directly affecting the value of specific positions, such as operational risk and business risk. Nomura Group’s NCAT limit is initially set by the EMB, and the EMB subsequently allocates it to each business division and additional lower levels of the organization.

Available Funds

The CFO decides the maximum amount of available funds, provided without posting of any collateral, for allocation within Nomura Group and the EMB approves the allocation of the funds to each business division. Global Treasury monitors the usage by businesses and reports to the EMB.

Leverage Exposure

Leverage exposure is calculated from exposure amounts used for the measurement of consolidated leverage ratio. The EMB sets leverage exposure limits for business divisions, etc. in accordance with the prudential standards on a consolidated basis for NHI. Finance Division is responsible for monitoring usage amounts under leverage exposure limits and reporting them to the EMB.

(8) Risk category and definition

Nomura Group classifies and defines risks as follows and has established departments or units to manage each risk type.

Risk Category	Definition
Market risk	Risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others).
Credit risk	Risk of loss arising from an obligor or counterparty’s default, insolvency or administrative proceeding which results in the obligor’s failure to meet its contractual obligations in accordance with agreed terms. This includes both on and off-balance sheet exposures. It is also the risk of loss arising through a credit valuation adjustment (“CVA”) associated with deterioration in the creditworthiness of a counterparty.
Operational risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It excludes strategic risk (the risk of loss as a result of poor strategic business decisions), but includes the risk of breach of legal and regulatory requirements and causing damage to Nomura Group’s reputation if caused by an operational risk.
Model Risk	Risk of financial loss, incorrect decision making, or damage to the firm's credibility arising from model errors or incorrect or inappropriate model application.
Funding and Liquidity risk	Risk of loss arising from difficulty in securing necessary funding or from a significantly higher cost of funding than normal levels due to deterioration in Nomura Group’s creditworthiness or deterioration in market conditions.
Business risk	Risk of failure of revenues to cover costs due to deterioration in the earnings environment or deterioration in the efficiency or effectiveness of Nomura Group’s business operations. Managing business risk is the responsibility of Nomura Group’s Executive Managing Directors and Senior Managing Directors.

3. Overview of Assessment on Capital Adequacy

Nomura Group assesses its own capital adequacy by monitoring the level of regulatory capital based on the Capital Adequacy Notice and by conducting stress testing.

Nomura Group conducts the capital adequacy assessment based on regulatory capital by monitoring the consolidated Tier 1 capital adequacy ratio stipulated in the Capital Adequacy Notice, calculated from total RWA (a sum of total credit RWA, amount equivalent to market risk divided by 8% and amount equivalent to operational risk divided by 8%) and Tier 1 capital, consolidated leverage ratio and other measures.

Stress testing is conducted regularly based on scenarios and assumptions which are designed to cover our portfolio comprehensively. For example, we stress-test our current portfolio by simulating the credit crisis of 2008, in which we measure the impact on capital and potential realized losses. We try to enhance the accuracy and relevancy of the results by taking into consideration the characteristics of the portfolios (e.g. type of products or expected holding period), the potential effect of hedging, and the expected time for profits and losses to be realized. In assessing capital adequacy, we also consider other types of risk we are exposed to, not only those surrounding our portfolio, but also operational risks and changes to fee pools under such scenarios, to incorporate overall impacts to Nomura Group.

4. Market Risk Management

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others).

(1) Market Risk Management Process

Effective management of market risk requires the ability to analyze a complex and evolving portfolio in a constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

Nomura Group uses a variety of statistical risk measurement tools to assess and monitor market risk on an ongoing basis, including, but not limited to, Value at Risk (“VaR”), Stressed VaR (“SVaR”) and Incremental Risk Charge (“IRC”). In addition, Nomura Group uses sensitivity analysis and stress testing to measure and analyze its market risk. Sensitivities are measures used to show the potential changes to a portfolio due to standard moves in market risk factors. They are specific to each asset class and cannot usually be aggregated across risk factors. Stress testing enables the analysis of portfolio risks or tail risks, including non-linear behaviors and can be aggregated across risk factors at any level of the group hierarchy, from group level to business division, units or desk levels. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

(2) Value at Risk

VaR is a measure of the potential loss due to adverse movements of market factors, such as equity prices, interest rates, credit, foreign exchange rates, and commodities with associated volatilities and correlations.

<u>VaR Methodology Assumptions</u>

Nomura Group uses a single VaR model which has been implemented globally in order to determine the total trading VaR. A historical simulation is implemented, where historical market moves over a two-year window are applied to current exposure in order to construct a profit and loss distribution. Potential losses can be estimated at required confidence levels or probabilities. A scenario weighting scheme is employed to ensure that the VaR model responds to changing market volatility. Nomura Group uses the same VaR model for both internal risk management purposes and for regulatory reporting. For internal risk management purposes, VaR is calculated across Nomura Group at a 99% confidence level and using a 1-day time horizon. For regulatory reporting purposes, Nomura Group uses the same confidence level but a 10-day time horizon, calculated using actual 10-day historical market moves. To complement VaR under Basel 2.5 regulations, Nomura Group also computes SVaR, which samples from a one-year window during a period of financial stress. The SVaR window is regularly calibrated and observations are equally weighted.

Nomura Group’s VaR model uses exact time series for each individual risk factor. However, if good quality data is not available, a ‘proxy logic’ maps the exposure to an appropriate time series. The level of proxying taking place is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

VaR Backtesting

The performance of Nomura Group's VaR model is constantly monitored to ensure that it remains fit for purpose. The main approach for validating VaR is to compare actual 1-day trading losses with the corresponding VaR estimate. Nomura Group's VaR model is backtested at different hierarchy levels. Backtesting results are reviewed on a monthly basis by Nomura Group's Risk Management Division. One-day trading losses did not exceed the 99% VaR estimate at the Nomura Group level on any occasion for the twelve months ended March 31, 2019.

Limitations and Advantages of VaR

VaR aggregates risks from different asset classes in a transparent and intuitive way. However, there are limitations. VaR is a backward-looking measure: it implicitly assumes that distributions and correlations of recent factor moves are adequate to represent moves in the near future. VaR is appropriate for liquid markets and is not appropriate for risk factors that exhibit sudden jumps. Therefore, it may understate the impact of severe events. Given these limitations, Nomura Group uses VaR only as one component of a diverse market risk management process.

(3) Incremental Risk Charge

Incremental Risk Charge ("IRC"), captures default and migration for credit sensitive positions as additional component to VaR and S-VaR. IRC estimates the default and migration risk of unsecuritized credit products over a one-year time horizon with 99.9% confidence level.

(4) Comprehensive Risk Measure

Comprehensive Risk Measure (the "CRM"), captures correlated default and other complex price risk for credit correlation trading portfolio calculated with using internal model. CRM calculates estimate of default and complex price risk of correlation trading portfolio over a one-year time horizon with 99.9% confidence level.

(5) Stress Testing

Nomura Group conducts market risk stress testing since VaR and sensitivity analysis have limited ability to capture all portfolio risks or tail risks. Stress testing for market risk is conducted regularly, using various scenarios based upon features of trading strategies. Nomura Group conducts stress testing not only at each desk level, but also at a Nomura Group level with a set of common global scenarios in order to capture the impact of market fluctuations on the entire Nomura Group.

5. Securitization

(1) Risk Management Policy and a Brief Description of Risk Characteristics

The risk management framework mentioned in section 4. Market Risk.is also applied to Securitized Products. As for other products, the effective management of risks for securitization products requires the ability to analyze a complex and constantly changing global market environment, to identify problematic trends and to ensure that appropriate action is taken in a timely manner. A number of tools are used to help assess and manage the market risk for these products on an ongoing basis including Value-at-Risk; stress testing and sensitivity analysis.

(2) Implementation Status and a Brief Summary of Operations

A framework is established to capture the structural and underlying collateral risk in securitization activity. Risk management function reviews structures using various cash flow and valuation tools, and continuously monitors trading and exposures using valuation and risk models, market activity and monthly remittance data to evaluate risks.

(3) In securitization exposures which are classified as Nomura "acts as a sponsor" as of March 31, 2019, a list of special purpose conduit involved in those transactions is as follows:

- NRTL TRUST
- NRPL TRUST 2018-1
- NRPL TRUST 2018-2
- NOMURA ASSET ACCEPTANCE CORP ALTERNATIVE LOAN TRUST SERIES 2006
- NOMURA RESECURITIZATION TRUST 2015-2R
- AJAX MORTGAGE LOAN TRUST 2017-D
- ANGEL OAK MORTGAGE TRUST LLC
- DEEPHAVEN RESIDENTIAL MORTGAGE TRUST 2018-3
- ELLINGTON FINANCIAL MORTGAGE TRUST 2017-1
- PRPM 2017-3 LLC
- VERUS SECURITIZATION TRUST 2017-SG1
- CAM MORTGAGE TRUST 2018-1
- CIVIC MORTGAGE LLC 2018-2
- CONNECTICUT AVENUE SECURITIES TRUST 2019-R02
- CONNECTICUT AVENUE SECURITIES TRUST 2019-R01

(4) A list of securitization purpose conduit to which Nomura group provides implicit support and the associated capital impact for each of them

Nomura group does not provide implicit support to securitization purposes conduits.

(5) Accounting policy for securitized transactions

Nomura Group uses daily mark to market pricing for securitized products.

(6) Eligible rating agencies used to assign ratings for the risk weights of securitization exposures.

Nomura Group uses ratings assigned by i) Rating and Investment Information, Inc., ii) Japan Credit Rating Agency, Ltd., iii) Moody's Investors Services, Inc., iv) S&P Global Ratings and v) Fitch Ratings Ltd

(7) Brief description of internal assessment approach if it is used

Nomura Group does not use the internal assessment approach.

(8) Brief description of significant changes to the quantitative information

There are no significant changes in the quantitative information for securitized products.

6. Credit Risk Management

Credit risk is the risk of loss arising from an obligor's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. This includes both on and off-balance sheet exposures. It is also the risk of loss arising through a CVA associated with deterioration in the creditworthiness of a counterparty. Nomura Group manages credit risk on a global basis and on an individual Nomura legal entity basis.

(1) Credit Risk Management Framework

The measurement, monitoring and management of credit risk at Nomura Group are governed by a set of global policies and procedures. Credit Risk Management, a global function within the Risk Management Division, is responsible for the implementation and maintenance of these policies and procedures. These policies are authorized by the GIRMC and/or Global Risk Strategic Committee ("GRSC"), prescribe the basic principles of credit risk management and set delegated authority limits, which enables Credit Risk Management personnel to set credit limits.

Credit risk is managed by Credit Risk Management together with various global and regional risk committees. This ensures transparency of material credit risks and compliance with established credit limits, the approval of material extensions of credit and the escalation of risk concentrations to appropriate senior management.

(2) Credit Risk Management Process

Credit Risk Management operates as a credit risk control function within the Risk Management Division, reporting to the CRO. The process for managing credit risk at Nomura Group includes:

- Evaluation of likelihood that a counterparty defaults on its payments and obligations;
- Assignment of internal ratings to all active counterparties;
- Approval of extensions of credit and establishment of credit limits;
- Measurement, monitoring and management of Nomura Group's current and potential future credit exposures;
- Setting credit terms in legal documentation; and
- Use of appropriate credit risk mitigants including netting, collateral and hedging.

The scope of credit risk management includes counterparty trading and various debt or equity instruments including loans, private equity investments, fund investments, investment securities and any other as deemed necessary from a credit risk management perspective. The evaluation of counterparties' creditworthiness involves a thorough due diligence and analysis of the business environments in which they operate, their competitive positions, management and financial strength and flexibility. Credit analysts also take into account the corporate structure and any explicit or implicit credit support. Credit Risk Management evaluates credit risk not only by counterparty, but also by counterparty group.

Following the credit analysis, Credit Risk Management estimates the probability of default of a given counterparty or obligor through an alphanumeric ratings scale similar to that used by rating agencies and a corresponding numeric scale. Credit analysts are responsible for assigning and maintaining the internal ratings, ensuring that each rating is reviewed and approved at least annually.

Nomura Group's internal rating system employs a range of ratings models to ensure global consistency and accuracy. These models are developed and maintained by the Risk Methodology Group. Internal ratings represent a critical component of Nomura Group's approach to managing counterparty credit risk. They are used as key factors in:

- Establishing the amount of counterparty credit risk that Nomura Group is willing to take to an individual counterparty or counterparty group (setting of credit limits);
- Determining the level of delegated authority for setting credit limits (including tenor);
- The frequency of credit reviews (renewal of credit limits);
- Reporting counterparty credit risk to senior management within Nomura Group; and
- Reporting counterparty credit risk to stakeholders outside of Nomura Group.

The Credit Risk Control Unit is a function within the Model Validation Group ("MVG") which is independent of Credit Risk Management. It ensures that Nomura Group's internal rating system is properly reviewed and validated, reporting any breaks or issues to senior management for timely resolution. The unit is responsible for ensuring that the system remains accurate and predictive of risk and provides periodic reporting on the system to senior management.

For regulatory capital calculation purposes, Nomura Group has been applying the Foundation Internal Rating Based Approach ("FIRB") in calculating credit risk-weighted assets since the end of March 2011. The Standardized Approach is applied to certain business units or asset types, which are considered immaterial to the calculation of credit risk-weighted assets.

Internal ratings are mapped to the probabilities of default (PD) which in turn are used for calculating credit risk-weighted assets. PDs are estimated annually by the Risk Methodology Group and validated by the Credit Risk Control Unit through testing of conservativeness and backtesting of PDs used in calculations.

(3) Credit Limits and Risk Measures

Internal ratings form an integral part in the assignment of credit limits to counterparties. Nomura Group's credit limit framework is designed to ensure that Nomura Group takes appropriate credit risk in a manner that is consistent with its overall risk appetite. Global Credit policies define the delegated authority matrices that establish the maximum aggregated limit amounts and tenors that may be set for any single counterparty group based on their internal rating.

Nomura Group's main type of counterparty credit risk exposures arise from derivatives transactions or securities financing transactions. Credit exposures against counterparties are managed by means of setting credit limits based upon credit analysis of individual counterparty. Credit risk is managed daily through the monitoring of credit exposure against approved credit limits and the ongoing monitoring of the creditworthiness of Nomura Group's counterparties. Any change in circumstance that alters Nomura Group's risk appetite for any particular counterparty, sector, industry or country is reflected in changes to the internal rating and credit limit as appropriate.

Nomura Group's global systems record all credit limits and capture credit exposures to the Nomura Group's counterparties allowing Credit Risk Management to measure, monitor and manage utilization of credit limits, ensure appropriate reporting and escalation of any limit breaches.

For derivatives and securities financing transactions, Nomura Group measures credit risk primarily by way of a Monte Carlo-based simulation model that determines a Potential Exposure ("PE") profile at a specified confidence level. The exposure calculation model used for counterparty credit risk management has also been used for the Internal Model Method ("IMM") based exposure calculation for regulatory capital reporting purposes since the end of December 2012.

Loans and lending commitments are measured and monitored on both a funded and unfunded basis.

(4) Wrong Way Risk

Wrong Way Risk ("WWR") occurs when exposure to a counterparty is highly correlated with the deterioration of creditworthiness of that counterparty. Nomura Group has established global policies that govern the management of any WWR exposures. Stress testing is used to support the assessment of any WWR embedded within existing portfolios and adjustments are made to credit exposures and regulatory capital, as appropriate.

(5) Stress Testing

Stress Testing is an integral part of Nomura Group's management of credit risk. Regular stress tests are used to support the assessment of credit risks by counterparties, sectors and regions. The stress tests include potential concentrations that are highlighted as a result of applying shocks to risk factors, probabilities of default or rating migrations.

(6) Risk Mitigation

Nomura Group utilizes financial instruments, agreements and practices to assist in the management of credit risk. Nomura Group enters into legal agreements, such as the International Swap and Derivatives Association, Inc ("ISDA") agreements or equivalent (referred to as "Master Netting Agreements"), with many of its counterparties. Master Netting Agreements allow netting of receivables and payables and reduce losses potentially incurred as a result of a counterparty default. Further reduction in credit risk is achieved through entering into collateral agreements that allow Nomura Group to obtain collateral from counterparties either upfront or contingent on exposure levels, changes in credit rating or other factors.

7. Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It excludes strategic risk (the risk of loss as a result of poor strategic business decisions), but includes the risk of breach of legal and regulatory requirements and the risk of damage to Nomura Group's reputation if caused by an operational risk.

(1) The Three Lines of Defense

Nomura Group adopts the industry standard "Three Lines of Defense" for the management of operational risk, comprising the following elements:

1) 1st Line of Defense: The business which owns and manages its risks
2) 2nd Line of Defense: The Operational Risk Management ("ORM") function, which defines and co-ordinates Nomura Group's operational risk framework and its implementation, and provides challenge to the 1st Line of Defense
3) 3rd Line of Defense: Internal, who provide independent assurance

(2) Operational Risk Management Framework

An Operational Risk Management Framework has been established in order to allow Nomura Group to identify, assess, manage, monitor and report on operational risk. The GIRMC, with delegated authority from the EMB has formal oversight over the management of operational risk.

This framework is set out below:

Infrastructure of the framework

- Policy framework: Sets standards for managing operational risk and details how to monitor adherence to these standards.
- Training and awareness: Action taken by ORM to improve business understanding of operational risk.

Products and Services

- Event Reporting: This process is used to identify and report any event which resulted in or had the potential to result in a loss or gain or other impact associated with inadequate or failed internal processes, people and systems, or from external events.
- Risk and Control Self-Assessment (“RCSA”): This process is used to identify the Inherent Risks the Business faces, the key controls associated with those risks and relevant actions to mitigate the residual risks. Global ORM are responsible for developing the RCSA process and supporting the Business in its implementation.
- Key Risk Indicators (“KRI”): Metrics which allow monitoring of certain key operational risks and trigger appropriate responses as thresholds are breached.
- Scenario Analysis: The process used to assess and quantify potential high impact, low likelihood operational risk events. During the process actions may be identified to enhance the control environment which are then tracked via the Operational Risk Management Framework.

Outputs

- Analysis and reporting: A key aspect of ORM’s role is to analyze, report, and challenge operational risk information provided by business units, and work with business units to develop action plans to mitigate risks.
- Operational risk capital calculation: Calculate operational risk capital as required under applicable Basel standards and local regulatory requirements.

(3) Regulatory Capital Calculation for Operational Risk

Nomura Group uses The Standardized Approach for calculating regulatory capital for operational risk. This involves using a three-year average of gross income allocated to business lines, which is multiplied by a fixed percentage (“Beta Factor”) determined by the FSA, to establish the amount of required operational risk capital.

Nomura Group uses consolidated net revenue as gross income, however for certain consolidated subsidiaries, gross operating profit is used as gross income. Gross income allocation is performed by mapping the net revenue of each business segment as defined in Nomura Group’s management accounting data to each business line defined in the Standardized Approach as follows:

Business Line	**Description**	**Beta Factor**
Retail Banking	Retail deposit and loan-related services	12%
Commercial Banking	Deposit and loan-related services except for Retail Banking business	15%
Payment and Settlement	Payment and settlement services for clients’ transactions	18%
Retail Brokerage	Securities-related services mainly for individuals	12%
Trading and Sales	Market-related business	18%
Corporate Finance	M&A, underwriting, secondary and private offerings, and other funding services for clients	18%
Agency Services	Agency services for clients such as custody	15%
Asset Management	Fund management services for clients	12%

(4) Calculation Process of Regulatory Capital for Operational Risk

- Nomura Group calculates the required amount of operational risk capital for each business line by multiplying the allocated annual gross income amount by the appropriate Beta Factor defined above. The operational risk capital for any gross income amount not allocated to a specific business line is determined by multiplying such unallocated gross income amount by a fixed percentage of 18%.
- The total operational risk capital for Nomura Group is calculated by aggregating the total amount of operational risk capital required for each business line and unallocated amount and by determining a three-year average. Where the aggregated amount for a given year is negative, then the total operational risk capital amount for that year will be calculated as zero.
  In any given year, negative amounts in any business line are offset against positive amounts in other business lines. However, negative unallocated amounts are not offset against positive amounts in other business lines and are calculated as zero.
- Operational risk capital is calculated at the end of September and March each year.

8. Model Risk Management

Model Risk is the risk of financial loss, incorrect decision making, or damage to the firm's credibility arising from Model errors or incorrect or inappropriate Model application.

To effectively manage the Firm's Model Risk, Nomura has established a Model Risk Management Framework to govern the development, ownership, validation, approval, usage, ongoing monitoring, and periodic review of the Firm's Models. The framework is supported by a set of policies and procedures that articulate process requirements for the various elements of the model lifecycle, including monitoring of model risk with respect to the Firm's appetite.

New models and material changes to approved models must be independently validated prior to official use. Thresholds to assess the materiality of model changes are defined in Model Risk Management's procedures. During independent validation, validation teams analyze a number of factors to assess a model's suitability, identify model limitations, and quantify the associated model risk, which is ultimately mitigated through the imposition of approval conditions, such as usage conditions, model reserves and capital adjustments. Approved models are subject to Model Risk Management's annual re-approval process and ongoing performance monitoring to assess their continued suitability. Appropriately delegated Model Risk Management Committees provide oversight, challenge, governance, and ultimate approval of validated Models.

9. Equity Exposures in Non-trading Book

Risk generated by equity exposures in non-trading book is managed by means of initial credit analysis at the stage of investment combined with risk monitoring after the investment. At the stage of investment, transparent approval processes have been established and managed, as per Decision-making Policies set up by the Group or the entities within the Group, such as the circulation of approval requests whose reviewers and approver are determined according to the form and the amount of investment, and the deliberation and voting at the Global Risk Management Committee, chaired by the CRO.

As for risk monitoring after the investment, the risk amount arisen from individual investments etc. is captured by way of measuring VaR or outstanding balance, and is shared with senior management, business units, middle offices and back offices so that the risk can be managed in a timely manner.

For Private Equity investments, the Nomura Group manages the exposures, by not only calculating the credit risk assets periodically as per FIRB, Foundation Internal Rating Based Approach, but also by monitoring the ratio of regulatory stipulated consolidated capital allocated to the credit risk assets for these investments.

10. Qualitative Disclosure with Regard to Standardized Approach (“SA”)

Eligible external credit assessment institutions (“ECAIs”) for the purpose of determining risk weights:

The Group uses the following 5 eligible ECAIs for the purpose of determining risk weights.

- Rating and Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody's Investors Service, Inc.
- S&P Global Ratings
- Fitch Ratings Ltd.

11. Overview of Accounting Policy for Allowance and Charge-offs

Management establishes an allowance for credit losses against loans carried at amortized cost which reflects management’s best estimate of probable losses incurred. The allowance for credit losses against loans, which is reported in the consolidated balance sheets within Allowance for doubtful accounts, comprises two components:

- A specific component for loans which have been individually evaluated for impairment; and
- A general component for loans which, while not individually evaluated for impairment, have been collectively evaluated for impairment based on historical loss experience.

The specific component of the allowance reflects probable losses incurred within loans which have been individually evaluated for impairment. A loan is defined as being impaired when, based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. Factors considered by management in determining impairment include an assessment of the ability of borrowers to pay by considering various factors such as the nature of the loan, prior credit loss experience, current economic conditions, the current financial situation of the borrower and the fair value of any underlying collateral. Loans that experience insignificant payment delays or insignificant payment shortfalls are not classified as impaired. Impairment is measured on a loan by loan basis by adjusting the carrying value of the loan to either the present value of expected future cash flows discounted at the loan’s effective interest rate, the loan’s observable market price, or the fair value of the collateral if the loan is collateral dependent.

The general component of the allowance is for loans not individually evaluated for impairment and includes judgment about collectability based on available information at the balance sheet date and the uncertainties inherent in those underlying assumptions. The allowance is based on historical loss experience adjusted for qualitative factors such as current economic conditions.

While management has based its estimate of the allowance for credit losses against loans on the best information available, future adjustments to the allowance may be necessary as a result of changes in the economic environment or variances between actual results and original assumptions.

Loans are charged-off when Nomura determines that the loans are uncollectible.

This determination is based on factors such as the occurrence of significant changes in the borrower’s financial position such that the borrower can no longer pay the obligation or that the proceeds from collateral will not be sufficient to pay the loans.

12. Disclosures related to IRB Approach

(1) Percentage of EADs covered by each approach for credit RWA (excluding derivatives, SFTs and securitization) for each regulatory portfolio

(Unit: %)

Exposures covered by various approaches			
Item		EAD (%)	
		March 31, 2019	March 31, 2018
1	Exposures subject to FIRB	76.58%	70.38%
2	Bank	22.87%	22.64%
3	Sovereign	29.72%	24.90%
4	Corporate (excluding specialized lending)	3.51%	3.91%
5	Corporate (specialized lending)	3.52%	2.30%
6	Equity	12.64%	12.29%
7	Fund	0.95%	0.71%
8	Other	3.34%	3.60%
9	Exposures subject to SA	14.63%	16.28%
10	Exposures to CCP	8.78%	13.33%
11	Total	100.00%	100.00%

(2) Explanation how the scope of IRB approach was determined and overview of the carve-out

Nomura group decided the business units and asset classes under SA, instead of IRB approach, based on the business characteristics, the nature of exposures and the materiality in amount and risk management development. Nomura group does not have a plan to adapt a phased rollout of the IRB approach

1) Type of IRB approach:
FIRB

2) Business units and Asset Classes under IRB approach:
All business units and asset classes except for the business units and asset classes described in 3)

3) Business units and Asset Classes that are in scope of exemption:

◇ Business units

- Instinet Incorporated and its subsidiaries
- Nomura Land and Building Co., Ltd. and its subsidiaries
- Sugimura Warehouse Co., Ltd. and its subsidiaries

◇ Asset classes

- Accrued interest revenue
- Accrued revenues
- Customer contract assets
- Customer contract receivables
- Margin Trade (Retail exposures)
- Prepaid expenses
- Accrued income taxes
- Receivables from employees
- Long term settlement transactions
- Immaterial low value exposures

13. Management of Interest Rate Risk under Non-trading Activities

Nomura Group's non-trading book assets mostly consist of short-term assets such as deposits, and liabilities mostly consist of borrowings and outstanding bond issuance for fund-raising purposes. These borrowings and outstanding bonds are in most cases converted into floating rate liabilities through swap agreements, so that the materiality of interest rate risk in the non-trading book is considerably low.

For interest rate risk as a part of market risk in the trading book, a summary of the management framework and procedures is provided in 4."Market Risk Management".

14. Consolidated Balance Sheet when the Regulatory Scope of Consolidation Is Applied

<March 31, 2019> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet

Item	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference of CC1
Assets			
Cash and cash equivalents	2,686,659	2,655,096	
Time deposits	289,752	289,752	
Deposits with stock exchanges and other segregated cash	285,456	285,427	
Loans receivable	2,544,218	2,523,450	
Receivables from customers	449,705	449,667	
Receivables from other than customers	892,282	886,116	
Allowance for doubtful accounts	(4,169)	(4,169)	
Securities purchased under agreements to resell	13,194,542	13,194,542	
Securities borrowed	4,112,416	4,112,416	
Trading assets	14,355,711	13,198,770	
Private equity investments	30,077	28,510	
Office buildings, land, equipment and facilities	349,365	294,545	
Non-trading debt securities	460,661	466,585	
Investments in equity securities	138,447	138,447	
Investments in and advances to affiliated companies	436,219	436,787	
Other	748,091	747,783	
Total Assets	40,969,438	39,703,732	
Liabilities			
Short-term borrowings	841,758	652,669	
Payables to customers	1,229,082	1,229,082	
Payables to other than customers	1,146,336	1,145,912	
Deposits received at banks	1,392,618	1,392,618	
Securities sold under agreements to repurchase	15,036,503	15,154,393	
Securities loaned	1,229,594	1,241,593	
Other secured borrowings	418,305	418,305	
Trading liabilities	8,219,811	8,246,623	
Other liabilities	858,865	911,579	
Long-term borrowings	7,915,769	7,094,708	
Total Liabilities	38,288,645	37,487,488	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	687,761	687,761	1a
Retained earnings	1,486,824	1,483,853	2
Accumulated other comprehensive income	(29,050)	(29,050)	3
Common stock held in treasury	(108,967)	(108,967)	1c
Noncontrolling interests	49,731	49,731	
Total equity	2,680,792	2,677,821	
Total liabilities and equity	40,969,438	40,165,310	

<December 31, 2018> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet			
Item	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference of CC1
Assets			
Cash and cash equivalents	2,438,649	2,412,210	
Time deposits	347,166	347,166	
Deposits with stock exchanges and other segregated cash	294,662	294,601	
Loans receivable	2,373,850	2,353,959	
Receivables from customers	408,918	408,862	
Receivables from other than customers	1,093,348	1,092,194	
Allowance for doubtful accounts	(3,941)	(3,941)	
Securities purchased under agreements to resell	14,549,227	14,549,227	
Securities borrowed	4,073,885	4,073,885	
Trading assets	17,520,795	16,385,386	
Private equity investments	15,753	14,212	
Office buildings, land, equipment and facilities	321,930	298,100	
Non-trading debt securities	457,533	464,036	
Investments in equity securities	135,623	135,623	
Investments in and advances to affiliated companies	416,423	416,423	
Other	669,194	668,898	
Total Assets	45,113,022	43,910,848	
Liabilities			
Short-term borrowings	808,262	611,632	
Payables to customers	1,180,941	1,180,941	
Payables to other than customers	1,257,742	1,257,396	
Deposits received at banks	1,276,438	1,276,438	
Securities sold under agreements to repurchase	19,982,480	20,115,760	
Securities loaned	1,295,494	1,307,572	
Other secured borrowings	432,459	432,459	
Trading liabilities	7,691,892	7,710,815	
Other liabilities	738,471	791,746	
Long-term borrowings	7,742,829	6,963,331	
Total Liabilities	42,407,011	41,648,094	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	683,524	683,524	1a
Retained earnings	1,496,085	1,493,688	2
Accumulated other comprehensive income	(349)	(349)	3
Common stock held in treasury	(110,809)	(110,809)	1c
Noncontrolling interests	43,068	43,068	
Total equity	2,706,011	2,703,614	
Total liabilities and equity	45,113,022	44,351,708	

<March 31, 2018> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet			
	a	b	c
Item	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference of CC1
Assets			
Cash and cash equivalents	2,354,639	2,322,253	
Time deposits	315,444	315,444	
Deposits with stock exchanges and other segregated cash	288,961	288,886	
Loans receivable	2,462,502	2,366,396	
Receivables from customers	442,343	442,331	
Receivables from other than customers	1,216,382	1,213,890	
Allowance for doubtful accounts	(3,514)	(3,514)	
Securities purchased under agreements to resell	9,853,898	9,853,898	
Securities borrowed	6,383,844	6,383,844	
Trading assets	14,967,556	13,979,682	
Private equity investments	17,465	15,569	
Office buildings, land, equipment and facilities	338,984	314,049	
Non-trading debt securities	485,890	485,574	
Investments in equity securities	150,759	150,759	
Investments in and advances to affiliated companies	408,034	408,034	
Other	908,134	907,842	
Total Assets	40,591,328	39,444,943	
Liabilities			
Short-term borrowings	743,497	638,603	
Payables to customers	1,176,773	1,176,773	
Payables to other than customers	1,476,539	1,476,405	
Deposits received at banks	1,151,342	1,151,342	
Securities sold under agreements to repurchase	14,759,009	14,646,129	
Securities loaned	1,524,362	1,524,362	
Other secured borrowings	413,621	413,621	
Trading liabilities	8,213,318	8,229,934	
Other liabilities	950,532	1,007,157	
Long-term borrowings	7,382,507	6,827,408	
Total Liabilities	37,791,504	37,091,738	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	675,279	675,279	1a
Retained earnings	1,696,889	1,694,634	2
Accumulated other comprehensive income	(59,355)	(59,355)	3
Common stock held in treasury	(157,986)	(157,986)	1c
Noncontrolling interests	50,504	50,504	
Total equity	2,799,824	2,797,568	
Total liabilities and equity	40,591,328	39,889,306	

Note: The amount shown in (a) may differ from the amount shown in FORM 20-F and other accounting disclosures of the Consolidated Balance Sheets, due to the difference in rounding.

CHAPTER 3 QUANTITATIVE DISCLOSURE

1. Capital Ratios of Financial Institutions that Nomura Group Owns More Than 10% of their Issued Capital and Are Subsidiaries of Nomura Group

There are no such financial institutions which are not in compliance with applicable regulatory capital adequacy requirements.

2. Credit Risk

(1) Credit Risk (Excluding Derivatives and SFTs ("Counterparty Credit Risk"), Securitization Exposures and Exposures Calculated under "Funds" Rules)

1) Exposure by region, industry and residual contractual maturity

(Unit: JPY million)

Exposure by region, industry and residual contractual maturity			
Item		Exposure amount	
		March 31, 2019	March 31, 2018
By region			
1	Japan	2,966,399	2,669,407
2	Non-Japan	2,305,075	2,374,781
3	Europe	756,422	814,318
4	North America	1,121,902	1,200,078
5	Asia	426,749	360,385
6	Total	5,271,474	5,044,189
By industry			
1	Financial institution	2,081,253	1,901,792
2	Sovereign	1,748,622	1,543,938
3	Corporate	1,441,582	1,132,953
4	Other	16	465,504
5	Total	5,271,474	5,044,189
By residual contractual maturity			
1	Due within 1 year	30,575	217,007
2	Due over 1 to 3 years	3,335,566	2,852,145
3	Due over 3 to 5 years	24,967	89,244
4	Due over 5 years	80,943	21,627
5	Terms not specified	1,799,421	1,864,164
6	Total	5,271,474	5,044,189

2) Nomura group is not conducting "Self-assessment" under Financial Revitalization Law and there are no exposures to obligors the events described in Article 183, Paragraph 1-1 to 1-4 of Capital Adequacy Notice occur and no corresponding allowance and charge-offs.

3) Aging analysis of past-due

(Unit: JPY million)

		Less than 1 month	1 to 2 months	2 to 3 months	More than 3 months
Past due amounts	March 31, 2019	3,810	632	2,489	1,837
	March 31, 2018	1,405	302	1,730	1,264

4) Nomura group is not conducting "Self-assessment" under Financial Revitalization Law and no allowances are additionally reserved due to the change of loan conditions for the purpose of reconstructing or supporting the business of the borrower (excluding exposures to obligors the events described in Article 183, Paragraph 1-1 to 1-4 of Capital Adequacy Notice occur)

(2) Exposures underlying several assets which risk weights are not directly identified under SA and Fund exposures under IRB

(Unit: JPY million)

	Exposure amount March 31, 2019
Equity investments in funds – look-through approach	9,600
Equity investments in funds – mandate-based approach	—
Equity investments in funds – simple risk-weight method 250%	—
Equity investments in funds – simple risk-weight method 400%	41,385
Equity investments in funds – fall-back approach 1250%	5,346

(Unit: JPY million)

	Exposure amount March 31, 2018
Exposures underlying several assets which risk weights are not directly identified under SA	4,953
Fund exposures under IRB	41,720

3. Quantitative Disclosure based on Annex No. 2 and No. 7 of Pillar 3 Notice

Following tables show the quantitative disclosure based on Annex No.2 and No.7 of "Notice 132 (27 December 2010) of FSA of the Establishment of Matters to be Included in a Document stating the Capital adequacy by a Final Designated Parent Company in Cases Specified by the FSA Commissioner" (the "Pillar 3 Notice").

(1) Key Metrics

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Available capital						
1	Common Equity Tier 1 (CET1)	2,439,720	2,471,769	2,547,804	2,544,904	2,499,965
2	Tier 1	2,605,940	2,637,925	2,713,876	2,710,931	2,666,366
3	Total capital	2,651,893	2,699,084	2,775,010	2,772,055	2,732,452
RWA						
4	RWA	14,251,587	13,799,058	14,981,255	15,801,376	15,122,291
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	17.11%	17.91%	17.00%	16.10%	16.53%
6	Tier 1 ratio (%)	18.28%	19.11%	18.11%	17.15%	17.63%
7	Total capital ratio (%)	18.60%	19.55%	18.52%	17.54%	18.06%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50%	1.87%	1.87%	1.87%	1.87%
9	Countercyclical buffer requirement (%)	0.11%	0.08%	0.04%	0.04%	0.02%
10	G-SIB and/or D-SIB additional requirements (%)	0.50%	0.37%	0.37%	0.37%	0.37%
11	Total of bank CET1 specific buffer requirements (%)	3.11%	2.33%	2.29%	2.29%	2.27%
12	CET1 available after meeting the bank’s minimum capital requirements (%)	10.60%	11.55%	10.52%	9.54%	10.06%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	51,807,144	59,168,126	60,981,569	58,967,416	56,135,086
14	Basel III leverage ratio (%) (row 2 / row 13)	5.03%	4.45%	4.45%	4.59%	4.74%

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		Fiscal year ended March 2019, 4th Quarter	Fiscal year ended March 2019, 3rd Quarter	Fiscal year ended March 2019, 2nd Quarter	Fiscal year ended March 2019, 1st Quarter	Fiscal year ended March 2018, 4th Quarter
Liquidity Coverage Ratio						
15	Total HQLA	4,319,594	4,453,912	4,408,090	4,102,789	4,022,519
16	Total net cash outflow	2,191,058	2,300,540	2,314,818	2,231,720	2,635,674
17	LCR ratio (%)	198.4%	196.7%	191.1%	184.8%	153.6%

(2) Over view of Risk Weighted Asset

(Unit: JPY million)

OV1: OVERVIEW OF RWA

Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	1,166,704	1,233,250	96,243	101,600
2	Of which standardized approach (SA)	328,374	385,633	26,269	30,850
3	Of which IRB approach	605,654	612,694	51,359	51,956
	Of which significant investments in commercial entities	－	－	－	－
	Of which lease exposures with residual value	－	－	－	－
	Other	232,674	234,921	18,613	18,793
4	Counterparty credit risk	3,493,257	2,874,342	289,431	238,204
5	Of which standardized approach for counterparty credit risk (SACCR)	534,519	－	45,274	－
	Of which current exposure method (CEM)	－	230,931	－	19,565
6	Of which internal model method (IMM)	1,358,926	1,275,549	115,237	108,166
	Of which credit value adjustment (CVA)	1,034,580	805,212	82,766	64,417
	Of which exposures to CCP	369,814	343,044	29,585	27,443
	Other	195,415	219,603	16,568	18,611
7	Equity positions in banking book under market-based approach	1,768,322	1,719,696	149,953	145,830
8	Equity investments in funds – look-through approach	120,001		9,600	
9	Equity investments in funds – mandate-based approach	－		－	
	Equity investments in funds – simple risk-weight method 250%	－		－	
	Equity investments in funds – simple risk-weight method 400%	175,397		41,385	
10	Equity investments in funds – fall-back approach 1250%	66,834		5,346	
	Exposures underlying several assets which risk weights are not directly identified under SA		4,054		324
	Fund exposures under IRB		182,956		15,514
11	Unsettled trade	7,818	25,505	656	2,120
12	Securitization exposures in banking book	－	－	－	－
13	Of which securitisation internal ratings-based approach (SEC-IRBA)	－		－	
14	Of which securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	－		－	
15	Of which securitisation standardised approach (SEC-SA)	－		－	
	Of which IRB ratings-based approach (RBA)		－		－

(Unit: JPY million)

OV1: OVERVIEW OF RWA					
Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	Of which IRB Supervisory Formula Approach (SFA)		—		—
	Of which SA/simplified supervisory formula approach (SSFA)		—		—
	Of which subject to 1250% risk weight	—	—	—	—
16	Market risk	4,211,094	4,551,062	336,887	364,085
17	Of which standardized approach (SA)	1,157,621	1,138,470	92,609	91,077
18	Of which internal model approaches (IMM)	3,053,472	3,412,592	244,277	273,007
19	Operational risk	2,513,132	2,532,765	201,050	202,621
20	Of which Basic Indicator Approach	—	—	—	—
21	Of which standardized approach	2,513,132	2,532,765	201,050	202,621
22	Of which advanced measurement approach	—	—	—	—
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	435,424	396,493	36,924	33,622
	Amounts included in RWA according to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total (after applying 1.06 scaling factor)	14,251,587	13,799,058	1,140,127	1,103,924

(Unit: JPY million)

OV1: OVERVIEW OF RWA

Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	1,166,704	1,212,904	96,243	99,894
2	Of which standardized approach (SA)	328,374	364,536	26,269	29,162
3	Of which IRB approach	605,654	596,260	51,359	50,562
	Of which significant investments in commercial entities	—	—	—	—
	Of which lease exposures with residual value	—	—	—	—
	Other	232,674	252,106	18,613	20,168
4	Counterparty credit risk	3,493,257	3,900,720	289,431	320,829
5	Of which standardized approach for counterparty credit risk (SACCR)	534,519	—	45,274	—
	Of which current exposure method (CEM)	—	289,433	—	24,527
6	Of which internal model method (IMM)	1,358,926	1,304,460	115,237	110,618
	Of which credit value adjustment (CVA)	1,034,580	1,761,124	82,766	140,889
	Of which exposures to CCP	369,814	306,449	29,585	24,515
	Other	195,415	239,252	16,568	20,277
7	Equity positions in banking book under market-based approach	1,768,322	1,687,986	149,953	143,141
8	Equity investments in funds – look-through approach	120,001		9,600	
9	Equity investments in funds – mandate-based approach	—		—	
	Equity investments in funds – simple risk-weight method 250%	—		—	
	Equity investments in funds – simple risk-weight method 400%	175,397		41,385	
10	Equity investments in funds – fall-back approach 1250%	66,834		5,346	
	Exposures underlying several assets which risk weights are not directly identified under SA		4,953		396
	Fund exposures under IRB		166,880		14,151
11	Unsettled trade	7,818	5,437	656	448
12	Securitization exposures in banking book	—	—	—	—
13	Of which securitisation internal ratings-based approach (SEC-IRBA)	—		—	
14	Of which securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—		—	
15	Of which securitisation standardised approach (SEC-SA)	—		—	
	Of which IRB ratings-based approach (RBA)		—		—
	Of which IRB Supervisory Formula Approach (SFA)		—		—

(Unit: JPY million)

OV1: OVERVIEW OF RWA					
Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Of which SA/simplified supervisory formula approach (SSFA)		—		—
	Of which subject to 1250% risk weight	—	—	—	—
16	Market risk	4,211,094	4,748,307	336,887	379,864
17	Of which standardized approach (SA)	1,157,621	1,078,595	92,609	86,287
18	Of which internal model approaches (IMM)	3,053,472	3,669,711	244,277	293,576
19	Operational risk	2,513,132	2,637,663	201,050	211,013
20	Of which Basic Indicator Approach	—	—	—	—
21	Of which standardized approach	2,513,132	2,637,663	201,050	211,013
22	Of which advanced measurement approach	—	—	—	—
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	435,424	473,237	36,924	40,045
	Amounts included in RWA according to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total (after applying 1.06 scaling factor)	14,251,587	15,122,291	1,140,127	1,209,783

Note: From March 31, 2019 SACCR is applied to counterparty credit risk.

(3) Linkage between Balance Sheet and Regulatory Exposures

<March 31, 2019> (Unit: JPY million)

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and cash equivalents	2,686,659	2,655,096	2,655,096	―	―	―	―
Time deposits	289,752	289,752	289,752	―	―	―	―
Deposits with stock exchanges and other segregated cash	285,456	285,427	285,427	―	―	―	―
Loans receivable	2,544,218	2,523,450	224,879	337,455	―	1,961,114	―
Receivables from customers	449,705	449,667	262,531	187,136	―	―	―
Receivables from other than customers	892,282	886,116	97,311	336,747	―	107,765	345,849
Allowance for doubtful accounts	(4,169)	(4,169)	―	―	―	―	(4,169)
Securities purchased under agreements to resell	13,194,542	13,194,542	―	13,194,542	―	13,194,542	―
Securities borrowed	4,112,416	4,112,416	―	4,112,416	―	4,087,154	―
Trading assets	14,355,711	13,198,770	5,517	5,292,856	―	13,193,253	―
Private equity investments	30,077	28,510	28,510	―	―	―	―
Office buildings, land, equipment and facilities	349,365	294,545	173,299	―	―	―	121,245
Non-trading debt securities	460,661	466,585	9,297	―	―	457,288	―
Investments in equity securities	138,447	138,447	138,447	―	―	―	―
Investments in and advances to affiliated companies	436,219	436,787	436,301	―	―	485	―
Other	748,091	747,783	432,508	282,655	―	282,655	32,619
Total Assets	40,969,438	39,703,732	5,038,882	23,743,811	―	33,284,260	495,545
Liabilities							
Short-term borrowings	841,758	652,669	―	―	―	―	652,669
Payables to customers	1,229,082	1,229,082	―	60,362	―	―	1,168,720
Payables to other than customers	1,146,336	1,145,912	―	677,527	―	141,810	468,385
Deposits received at banks	1,392,618	1,392,618	―	―	―	937,962	454,656
Securities sold under agreements to repurchase	15,036,503	15,154,393	―	15,154,393	―	15,154,393	―
Securities loaned	1,229,594	1,241,593	―	1,241,593	―	1,241,593	―
Other secured borrowings	418,305	418,305	―	―	―	―	418,305
Trading liabilities	8,219,811	8,246,623	―	840,592	―	8,246,623	―
Other liabilities	858,865	911,579	54,322	282,655	―	282,655	574,602
Long-term borrowings	7,915,769	7,094,708	―	―	―	―	7,094,708
Total Liabilities	38,288,645	37,487,488	54,322	18,257,125	―	26,005,039	10,832,047

<March 31, 2018> (Unit: JPY million)

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and cash equivalents	2,354,639	2,322,253	2,322,253	−	−	−	−
Time deposits	315,444	315,444	315,444	−	−	−	−
Deposits with stock exchanges and other segregated cash	288,961	288,886	288,886	−	−	−	−
Loans receivable	2,462,502	2,366,396	136,280	426,834	−	1,803,281	−
Receivables from customers	442,343	442,331	291,528	150,802	−	−	−
Receivables from other than customers	1,216,382	1,213,890	188,104	604,488	−	87,724	421,297
Allowance for doubtful accounts	(3,514)	(3,514)	−	−	−	−	(3,514)
Securities purchased under agreements to resell	9,853,898	9,853,898	−	9,853,898	−	9,853,898	−
Securities borrowed	6,383,844	6,383,844	−	6,383,844	−	6,376,673	−
Trading assets	14,967,556	13,979,682	6,584	5,848,289	−	13,973,098	−
Private equity investments	17,465	15,569	15,569	−	−	−	−
Office buildings, land, equipment and facilities	338,984	314,049	186,370	−	−	−	127,678
Non-trading debt securities	485,890	485,574	8,737	−	−	476,836	−
Investments in equity securities	150,759	150,759	150,759	−	−	−	−
Investments in and advances to affiliated companies	408,034	408,034	407,590	−	−	443	−
Other	908,134	907,842	515,299	301,071	−	301,071	91,471
Total Assets	40,591,328	39,444,943	4,833,410	23,569,229	−	32,873,027	636,933
Liabilities							
Short-term borrowings	743,497	638,603	−	−	−	−	638,603
Payables to customers	1,176,773	1,176,773	−	55,580	−	−	1,121,192
Payables to other than customers	1,476,539	1,476,405	−	989,473	−	138,901	486,931
Deposits received at banks	1,151,342	1,151,342	−	−	−	772,936	378,405
Securities sold under agreements to repurchase	14,759,009	14,646,129	−	14,646,129	−	14,646,129	−
Securities loaned	1,524,362	1,524,362	−	1,524,362	−	1,524,362	−
Other secured borrowings	413,621	413,621	−	−	−	−	413,621
Trading liabilities	8,213,318	8,229,934	−	760,971	−	8,229,934	−
Other liabilities	950,532	1,007,157	57,087	301,071	−	301,071	648,998
Long-term borrowings	7,382,507	6,827,408	−	−	−	−	6,827,408
Total Liabilities	37,791,504	37,091,738	57,087	18,277,590	−	25,613,336	10,515,160

Note: Derivatives assets and SFTs held in the trading book are shown in the both columns for counterparty credit risk and market risk. Foreign exchange risk and commodity risk arising from non-trading book is not included in this table due to the difficulties in identifying the accounts on the balance sheet.

The amount shown in (a) may differ from the amount shown in FORM 20-F and other accounting disclosures of the Consolidated Balance Sheets, due to the difference in rounding.

<March 31, 2019> (Unit: JPY million)

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

Item		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitization framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	62,066,953	5,038,882	23,743,811	−	33,284,260
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	44,316,486	54,322	18,257,125	−	26,005,039
3	Total net amount under regulatory scope of consolidation	17,750,467	4,984,560	5,486,686	−	7,279,221
4	Off-balance sheet amounts	64,857	64,857	−	−	−
5	Differences in valuations for derivatives and SFTs	9,069,881	−	9,069,881	−	−
6	Other differences	(73,932)	(73,932)	−	−	−
7	Exposure amounts considered for regulatory purpose	26,811,273	4,975,485	14,556,567	−	7,279,221

<March 31, 2018> (Unit: JPY million)

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

Item		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitization framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	61,275,666	4,833,410	23,569,229	−	32,873,027
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	43,948,013	57,087	18,277,590	−	25,613,336
3	Total net amount under regulatory scope of consolidation	17,327,653	4,776,323	5,291,639	−	7,259,691
4	Off-balance sheet amounts	19,539	19,539	−	−	−
5	Differences in valuations for derivatives and SFTs	13,618,909	−	13,618,909	−	−
6	Other differences	(135,452)	(135,452)	−	−	−
7	Exposure amounts considered for regulatory purpose	30,830,649	4,660,410	18,910,548	−	7,259,691

Note: Item No.5 “Differences in valuations for derivatives and SFTs” are arising from exposures calculated under IMM, SACCR and comprehensive method. Item No.6 “Other differences” is mainly regulatory adjustments for deferred tax asset and unsettled trades.

(4) Credit Risk (Excluding Counterparty Credit Risk, Securitization in Credit Risk and Exposures Calculated under "Funds" Rules)

<March 31, 2019> (Unit: JPY million)

CR1: CREDIT QUALITY OF ASSETS

Item		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	369	596,988	—	597,358
2	Securities	—	—	—	—
3	Of which are debt securities	—	—	—	—
4	Total of on balance sheet assets (1+2+3)	369	596,988	—	597,358
	Off balance sheet assets				
5	Guarantees	—	5,843	—	5,843
6	Commitments	—	62,163	—	62,163
7	Total of off balance sheet assets (5+6)	—	68,007	—	68,007
	Total				
8	Total (4+7)	369	664,995	—	665,365

<March 31, 2018> (Unit: JPY million)

CR1: CREDIT QUALITY OF ASSETS

Item		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	—	643,927	—	643,927
2	Securities	—	—	—	—
3	Of which are debt securities	—	—	—	—
4	Total of on balance sheet assets (1+2+3)	—	643,927	—	643,927
	Off balance sheet assets				
5	Guarantees	—	6,580	—	6,580
6	Commitments	—	3,514	—	3,514
7	Total of off balance sheet assets (5+6)	—	10,095	—	10,095
	Total				
8	Total (4+7)	—	654,022	—	654,022

Note: Default refers not only to non-payment of financial obligations, markedly disadvantageous modification to a contractual term, bankruptcy or the equivalent, but also to a situation under which the creditworthiness of the obligor is weak such that uncertainty as to the fulfillment of payment is high, and includes the sale of assets that are subject to credit risk measurement (excluding Equity Exposure), at a material loss (a loss of over 30% of the original principal).

<March 31, 2019> (Unit: Million JPY)

CR2: Changes in stock of defaulted loans and debt securities			
Item			Amount
1	Defaulted loans and debt securities at previous year end		―
2	Loan and debt securities movement in each factor	Defaulted amount	369
3		Returned to non-defaulted status	―
4		Amounts written off	―
5		Other changes	―
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)		369

<March 31, 2019> (Unit: JPY million)

CR3: CREDIT RISK MITIGATION TECHNIQUES - OVERVIEW						
Item		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	245,037	352,320	352,320	―	―
2	Debt securities	―	―	―	―	―
3	Other on balance sheet assets (debt instruments)	―	―	―	―	―
4	Total (1+2+3)	245,037	352,320	352,320	―	―
5	Of which defaulted	369	―	―	―	―

<March 31, 2018> (Unit: JPY million)

CR3: CREDIT RISK MITIGATION TECHNIQUES - OVERVIEW						
Item		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	213,474	430,453	430,453	―	―
2	Debt securities	―	―	―	―	―
3	Other on balance sheet assets (debt instruments)	―	―	―	―	―
4	Total (1+2+3)	213,474	430,453	430,453	―	―
5	Of which defaulted	―	―	―	―	―

<March 31, 2019> (Unit: JPY million, %)

CR4: STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS							
Item		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		Credit RWA	Weighted average RW (RWA density)
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	—	—	—	—	—	—
2	Japan government	10,739	—	10,739	—	0	0.00%
3	Foreign government	1,294	—	1,294	—	360	27.86%
4	The bank for internal settlements	—	—	—	—	—	—
5	Local public entities	—	—	—	—	—	—
6	Foreign local public entities and public sector	21	—	21	—	4	20.00%
7	Development banks	—	—	—	—	—	—
8	Japan finance organization for municipalities	—	—	—	—	—	—
9	Non-central government public sector entities	6	—	6	—	0	10.00%
10	Local public sector of real estate	—	—	—	—	—	—
11	Banks and securities dealer	40,732	—	40,732	—	10,096	24.78%
12	Corporate	665,137	—	312,816	—	311,380	99.54%
13	Small and medium sized entities and retail	—	—	—	—	—	—
14	Mortgage loan	—	—	—	—	—	—
15	Commercial real estate	4	—	4	—	4	100.00%
16	Over 3 months past due (excluding mortgage loan)	4,352	—	4,352	—	6,528	150.00%
17	Over 3 months past due related to mortgage loan	—	—	—	—	—	—
18	Uncollected bills	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporation	—	—	—	—	—	—
20	Guaranteed by Regional economy vitalization corporation of Japan	—	—	—	—	—	—
21	Equity (excluding significant investment in commercial entities)	—	—	—	—	—	—
22	Total	722,289	—	369,968	—	328,374	88.75%

<March 31, 2018> (Unit: JPY million, %)

CR4: STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS

Item		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		Credit RWA	Weighted average RW (RWA density)
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	－	－	－	－	－	－
2	Japan government	47,456	－	47,456	－	0	0.00%
3	Foreign government	29,789	－	29,789	－	3,825	12.84%
4	The bank for internal settlements	－	－	－	－	－	－
5	Local public entities	0	－	0	－	0	0.00%
6	Foreign local public entities and public sector	2,895	－	2,895	－	582	20.10%
7	Development banks	20	－	20	－	0	0.00%
8	Japan finance organization for municipalities	－	－	－	－	－	－
9	Non-central government public sector entities	1	－	1	－	0	20.00%
10	Local public sector of real estate	－	－	－	－	－	－
11	Banks and securities dealer	20,115	－	20,115	－	4,899	24.35%
12	Corporate	781,389	－	350,936	－	340,598	97.05%
13	Small and medium sized entities and retail	－	－	－	－	－	－
14	Mortgage loan	－	－	－	－	－	－
15	Commercial real estate	105	－	105	－	105	100.00%
16	Over 3 months past due (excluding mortgage loan)	3,919	－	3,919	－	5,878	150.00%
17	Over 3 months past due related to mortgage loan	－	－	－	－	－	－
18	Uncollected bills	－	－	－	－	－	－
19	Guaranteed by credit guarantee corporation	－	－	－	－	－	－
20	Guaranteed by Regional economy vitalization corporation of Japan	－	－	－	－	－	－
21	Equity (excluding significant investment in commercial entities)	8,646	－	8,646	－	8,646	100.00%
22	Total	894,339	－	463,886	－	364,536	78.58%

<March 31, 2019> (Unit: JPY million)

CR5: STANDARDIZED APPROACH - EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS												
Item		a	b	c	d	e	f	g	h	i	j	k
		Credit exposures amount (post CCF and post-CRM)										
	Risk Weight / Asset Classes	0%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	Total
1	Cash	－	－	－	－	－	－	－	－	－	－	－
2	Japan government	10,739	－	－	－	－	－	－	－	－	－	10,739
3	Foreign government	399	－	290	－	603	－	1	－	－	－	1,294
4	The bank for internal settlements	－	－	－	－	－	－	－	－	－	－	－
5	Local public entities	－	－	－	－	－	－	－	－	－	－	－
6	Foreign local public entities and public sector	－	－	21	－	－	－	－	－	－	－	21
7	Development banks	－	－	－	－	－	－	－	－	－	－	－
8	Japan finance organization for municipalities	－	－	－	－	－	－	－	－	－	－	－
9	Non-central government public sector entities	－	6	－	－	－	－	－	－	－	－	6
10	Local public sector of real estate	－	－	－	－	－	－	－	－	－	－	－
11	Banks and securities dealer	－	－	37,746	－	878	－	2,107	－	－	－	40,732
12	Corporate	－	－	373	－	2,276	－	310,167	－	－	－	312,816
13	Small and medium sized entities and retail	－	－	－	－	－	－	－	－	－	－	－
14	Mortgage loan	－	－	－	－	－	－	－	－	－	－	－
15	Commercial real estate	－	－	－	－	－	－	4	－	－	－	4
16	Over 3 months past due (excluding mortgage loan)	－	－	－	－	－	－	－	4,352	－	－	4,352
17	Over 3 months past due related to mortgage loan	－	－	－	－	－	－	－	－	－	－	－
18	Uncollected bills	－	－	－	－	－	－	－	－	－	－	－
19	Guaranteed by credit guarantee corporation	－	－	－	－	－	－	－	－	－	－	－
20	Guaranteed by Regional economy vitalization corporation of Japan	－	－	－	－	－	－	－	－	－	－	－
21	Equity (excluding significant investment in commercial entities)	－	－	－	－	－	－	－	－	－	－	－
22	Total	11,139	6	38,432	－	3,757	－	312,280	4,352	－	－	369,968

<March 31, 2018> (Unit: JPY million)

CR5: STANDARDIZED APPROACH - EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

Item	Risk Weight / Asset Classes	a	b	c	d	e	f	g	h	i	j	k
		Credit exposures amount (post CCF and post-CRM)										
		0%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	Total
1	Cash	－	－	－	－	－	－	－	－	－	－	－
2	Japan government	47,456	－	－	－	－	－	－	－	－	－	47,456
3	Foreign government	22,192	－	27	－	7,498	－	70	－	－	－	29,789
4	The bank for internal settlements	－	－	－	－	－	－	－	－	－	－	－
5	Local public entities	0	－	－	－	－	－	－	－	－	－	0
6	Foreign local public entities and public sector	－	－	2,891	－	0	－	3	－	－	－	2,895
7	Development banks	20	－	－	－	－	－	－	－	－	－	20
8	Japan finance organization for municipalities	－	－	－	－	－	－	－	－	－	－	－
9	Non-central government public sector entities	－	－	1	－	－	－	－	－	－	－	1
10	Local public sector of real estate	－	－	－	－	－	－	－	－	－	－	－
11	Banks and securities dealer	0	－	18,952	－	108	－	1,054	－	－	－	20,115
12	Corporate	－	－	11,943	－	1,564	－	337,427	－	－	－	350,936
13	Small and medium sized entities and retail	－	－	－	－	－	－	－	－	－	－	－
14	Mortgage loan	－	－	－	－	－	－	－	－	－	－	－
15	Commercial real estate	－	－	－	－	－	－	105	－	－	－	105
16	Over 3 months past due (excluding mortgage loan)	－	－	－	－	－	－	－	3,919	－	－	3,919
17	Over 3 months past due related to mortgage loan	－	－	－	－	－	－	－	－	－	－	－
18	Uncollected bills	－	－	－	－	－	－	－	－	－	－	－
19	Guaranteed by credit guarantee corporation	－	－	－	－	－	－	－	－	－	－	－
20	Guaranteed by Regional economy vitalization corporation of Japan	－	－	－	－	－	－	－	－	－	－	－
21	Equity (excluding significant investment in commercial entities)	－	－	－	－	－	－	8,646	－	－	－	8,646
22	Total	69,669	－	33,817	－	9,172	－	347,308	3,919	－	－	463,886

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Sovereign												
1	0.00 to <0.15	1,736,448	–	–	1,736,448	–	Less than 100 obligors	45.00%	0.9	46	–	0	–
2	0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	–
3	0.25 to <0.5	10	–	–	10	0.30%	Less than 100 obligors	45.00%	1.0	4	39.37%	0	–
4	0.5 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
5	0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	–
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	–
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	1,736,459	–	–	1,736,459	–	Less than 100 obligors	45.00%	0.9	50	–	0	–
	Bank												
1	0.00 to <0.15	1,199,843	–	–	1,199,843	0.05%	0.1	45.00%	1.1	195,980	16.33%	285	–
2	0.15 to <0.25	61,358	–	–	61,358	0.21%	Less than 100 obligors	45.00%	1.0	19,771	32.22%	57	–
3	0.25 to <0.5	59,326	–	–	59,326	0.32%	Less than 100 obligors	45.00%	1.1	29,370	49.50%	85	–
4	0.5 to <0.75	5,647	–	–	5,647	0.66%	Less than 100 obligors	45.00%	4.4	6,142	108.77%	16	–
5	0.75 to <2.50	2,998	–	–	2,998	1.81%	Less than 100 obligors	45.00%	1.7	3,645	121.56%	24	–
6	2.50 to <10.00	4,076	–	–	4,076	4.51%	Less than 100 obligors	45.00%	1.0	5,225	128.18%	82	–
7	10.00 to <100.00	2,820	–	–	2,820	27.56%	Less than 100 obligors	45.00%	1.9	6,860	243.19%	349	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	1,336,071	–	–	1,336,071	0.15%	0.2	45.00%	1.1	266,995	19.98%	903	–
	Corporate (excluding small and medium sized entities and specialized lending)												
1	0.00 to <0.15	115,950	–	–	115,950	0.04%	0.1	45.00%	1.7	19,533	16.84%	21	–
2	0.15 to <0.25	4,053	–	–	4,053	0.21%	Less than 100 obligors	45.00%	5.0	3,582	88.39%	3	–
3	0.25 to <0.5	23,781	–	–	23,781	0.36%	Less than 100 obligors	45.00%	3.5	17,256	72.56%	38	–
4	0.5 to <0.75	741	3,585	100.00%	4,326	0.66%	Less than 100 obligors	45.00%	5.0	4,960	114.64%	12	–
5	0.75 to <2.50	3,477	–	–	3,477	1.42%	Less than 100 obligors	45.00%	1.1	3,702	106.46%	22	–
6	2.50 to <10.00	1,490	855	100.00%	2,345	6.38%	Less than 100 obligors	45.00%	2.5	4,027	171.70%	67	–
7	10.00 to <100.00	49,339	1,702	95.59%	50,967	27.56%	0.1	45.00%	1.8	138,370	271.48%	6,321	–
8	100.00 (Default)	168	–	–	168	100.00%	Less than 100 obligors	45.00%	1.0	–	–	75	–
9	Sub-total	199,002	6,143	98.77%	205,071	7.11%	0.3	45.00%	2.1	191,434	93.35%	6,564	–

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Small and medium sized entities												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Specialized lending												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Equity subject to PD/LGD approach												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (corporate)												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (retail)												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Qualifying revolving retail												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Residential mortgages												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
8	100.00 (Default)	−	−	−	−	−	−	−	−	−	−	−	−
9	Sub-total	−	−	−	−	−	−	−	−	−	−	−	−
	Other retail												
1	0.00 to <0.15	−	−	−	−	−	−	−	−	−	−	−	−
2	0.15 to <0.25	−	−	−	−	−	−	−	−	−	−	−	−
3	0.25 to <0.5	−	−	−	−	−	−	−	−	−	−	−	−
4	0.5 to <0.75	−	−	−	−	−	−	−	−	−	−	−	−
5	0.75 to <2.50	−	−	−	−	−	−	−	−	−	−	−	−
6	2.50 to <10.00	−	−	−	−	−	−	−	−	−	−	−	−
7	10.00 to <100.00	−	−	−	−	−	−	−	−	−	−	−	−
8	100.00 (Default)	−	−	−	−	−	−	−	−	−	−	−	−
9	Sub-total	−	−	−	−	−	−	−	−	−	−	−	−
Total (sum of portfolios)		3,271,533	6,143	98.77%	3,277,602	0.50%	0.6	45.00%	1.1	458,481	13.98%	7,467	−

<March 31, 2018> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Sovereign												
1	0.00 to <0.15	1,463,097	–	–	1,463,097	0.00%	Less than 100 obligors	45.00%	1.0	78	0.00%	0	–
2	0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	–
3	0.25 to <0.5	–	–	–	–	–	–	–	–	–	–	–	–
4	0.5 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
5	0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	–
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	–
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	1,463,097	–	–	1,463,097	0.00%	Less than 100 obligors	45.00%	1.0	78	0.00%	0	–
	Bank												
1	0.00 to <0.15	1,194,279	–	–	1,194,279	0.04%	0.1	45.00%	1.2	204,889	17.15%	267	–
2	0.15 to <0.25	38,123	–	–	38,123	0.17%	Less than 100 obligors	45.00%	1.1	13,442	35.26%	30	–
3	0.25 to <0.5	92,803	–	–	92,803	0.38%	Less than 100 obligors	45.00%	1.1	47,612	51.30%	160	–
4	0.5 to <0.75	980	–	–	980	0.72%	Less than 100 obligors	45.00%	2.5	913	93.22%	3	–
5	0.75 to <2.50	178	–	–	178	2.19%	Less than 100 obligors	45.00%	4.7	267	150.03%	1	–
6	2.50 to <10.00	251	–	–	251	6.16%	Less than 100 obligors	45.00%	4.7	474	188.65%	6	–
7	10.00 to <100.00	3,355	–	–	3,355	27.84%	Less than 100 obligors	45.00%	1.7	8,549	254.82%	420	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	1,329,971	–	–	1,329,971	0.14%	0.2	45.00%	1.2	276,149	20.76%	890	–
	Corporate (excluding small and medium sized entities and specialized lending)												
1	0.00 to <0.15	147,255	–	–	147,255	0.03%	0.3	45.00%	1.2	18,335	12.45%	23	–
2	0.15 to <0.25	5,344	–	–	5,344	0.19%	Less than 100 obligors	45.00%	4.9	4,639	86.79%	4	–
3	0.25 to <0.5	6,868	–	–	6,868	0.33%	Less than 100 obligors	45.00%	1.1	3,024	44.03%	10	–
4	0.5 to <0.75	33	3,711	100.00%	3,745	0.72%	Less than 100 obligors	45.00%	5.0	4,228	112.90%	12	–
5	0.75 to <2.50	1,329	–	–	1,329	2.26%	Less than 100 obligors	45.00%	4.2	1,956	147.22%	13	–
6	2.50 to <10.00	911	318	100.00%	1,229	8.63%	Less than 100 obligors	45.00%	2.2	2,224	180.91%	47	–
7	10.00 to <100.00	60,988	2,850	97.36%	63,763	27.84%	0.1	45.00%	1.6	170,965	268.12%	7,990	–
8	100.00 (Default)	432	–	–	432	100.00%	Less than 100 obligors	45.00%	1.0	–	–	194	–
9	Sub-total	223,163	6,880	98.91%	229,968	8.01%	0.6	45.00%	1.4	205,373	89.30%	8,297	–

<March 31, 2018> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Small and medium sized entities												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Specialized lending												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Equity subject to PD/LGD approach												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (corporate)												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (retail)												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Qualifying revolving retail												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	－
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Residential mortgages												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	－
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	－
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	－
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	－
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	－
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	－
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	－

<March 31, 2018> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	–	–	–	–	–	–	–	–	–	–	–	–
	Other retail												
1	0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	–
2	0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	–
3	0.25 to <0.5	–	–	–	–	–	–	–	–	–	–	–	–
4	0.5 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
5	0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	–
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	–
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Sub-total	–	–	–	–	–	–	–	–	–	–	–	–
Total (sum of portfolios)		3,016,232	6,880	98.91%	3,023,037	0.67%	0.8	45.00%	1.2	481,601	15.93%	9,188	–

Note: "Number of obligors" in column "f" is denoted as "Less than 100 obligors", where the total count of obligor in any one category is less than 100.

<March 31, 2019> (Unit: JPY million)

CR7: IRB - EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES			
Item	Portfolio	a	b
		pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	50	50
2	Sovereign – AIRB	―	―
3	Bank – FIRB	266,995	266,995
4	Bank – AIRB	―	―
5	Corporate (excluding specialized lending) – FIRB	191,434	191,434
6	Corporate (excluding specialized lending) – AIRB	―	―
7	Specialized lending – FIRB	―	―
8	Specialized lending – AIRB	―	―
9	Retail – qualifying revolving (QRRE)	―	―
10	Retail – residential mortgage exposures	―	―
11	Retail – other retail	―	―
12	Equity – FIRB	―	―
13	Equity – AIRB	―	―
14	Purchased receivables – FIRB	―	―
15	Purchased receivables – AIRB	―	―
16	Total	458,481	458,481

<March 31, 2018> (Unit: JPY million)

CR7: IRB - EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES			
Item	Portfolio	a	b
		pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	78	78
2	Sovereign – AIRB	―	―
3	Bank – FIRB	276,149	276,149
4	Bank – AIRB	―	―
5	Corporate (excluding specialized lending) – FIRB	205,373	205,373
6	Corporate (excluding specialized lending) – AIRB	―	―
7	Specialized lending – FIRB	―	―
8	Specialized lending – AIRB	―	―
9	Retail – qualifying revolving (QRRE)	―	―
10	Retail – residential mortgage exposures	―	―
11	Retail – other retail	―	―
12	Equity – FIRB	―	―
13	Equity – AIRB	―	―
14	Purchased receivables – FIRB	―	―
15	Purchased receivables – AIRB	―	―
16	Total	481,601	481,601

(Unit: Million JPY)

CR8: RWA flow statements of credit risk exposures under IRB			
Item			Credit RWA
1	RWA as at end of previous quarter end (December 31, 2018)		2,935,896
2	Movement in risk levels	Asset size	61,044
3		Asset quality	8,094
4		Model updates	―
5		Methodology and policy	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	305
8		Other	―
9	RWA as at end of reporting period (March 31, 2019)		3,005,339

(Unit: Million JPY)

CR8: RWA flow statements of credit risk exposures under IRB			
Item			Credit RWA
1	RWA as at end of previous year end (March 31, 2018)		2,947,666
2	Movement in risk levels	Asset size	14,377
3		Asset quality	36,864
4		Model updates	―
5		Methodology and policy	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	6,432
8		Other	―
9	RWA as at end of reporting period (March 31, 2019)		3,005,339

Note: All movements arising from obligors which the internal ratings are changed by model updates are included in Item No. 4 (Model updates). And Item No. 2 (Asset size) contains the movements other than amounts aggregated in Item No. 3 to 8

<March 31, 2019> (Unit: %, number of obligors)

CR9: IRB - BACKTESTING OF PROBABILITY OF DEFAULT (PD) PER PORTFOLIO

a	b	c					d	e	f		g	h	i
Portfolio	PD range	External rating equivalent					Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			End of previous year	End of the year			
Sovereign and bank	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.01%	0.03%	77	81	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.12%	0.20%	158	167	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	10.26%	10.28%	29	29	0	0	0.65%
Corporate (excluding specialized lending)	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.03%	0.04%	226	94	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.30%	0.17%	203	127	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	25.30%	25.22%	181	140	0	0	0.08%
Specialized lending	－	－	－	－	－	－	－	－	－	－	－	－	－
Equity subject to PD/LGD approach	－	－	－	－	－	－	－	－	－	－	－	－	－
Purchased receivables (corporate)	－	－	－	－	－	－	－	－	－	－	－	－	－
Purchased receivables (retail)	－	－	－	－	－	－	－	－	－	－	－	－	－
Qualifying revolving retail	－	－	－	－	－	－	－	－	－	－	－	－	－
Residential mortgages	－	－	－	－	－	－	－	－	－	－	－	－	－
Other retail	－	－	－	－	－	－	－	－	－	－	－	－	－

<March 31, 2018> (Unit: %, number of obligors)

CR9: IRB - BACKTESTING OF PROBABILITY OF DEFAULT (PD) PER PORTFOLIO

a	b	c					d	e	f		g	h	i
Portfolio	PD range	External rating equivalent					Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			End of previous year	End of the year			
Sovereign and bank	<0.05%	AAA~ A+	Aaa~ A1	AAA~ A+	AAA~ A+	AAA~ A+	0.01%	0.03%		77	0	0	0.00%
	<1%	A~ BB	A2~ Ba2	A~ BB	A~ BB	A~ BB	0.14%	0.23%		158	0	0	0.00%
	1%≦	BB－~ D	Ba3－~ D	BB－~ D	BB－~ D	BB－~ D	25.19%	10.98%		29	0	0	0.65%
Corporate (excluding specialized lending)	<0.05%	AAA~ A+	Aaa~ A1	AAA~ A+	AAA~ A+	AAA~ A+	0.03%	0.04%		226	0	0	0.00%
	<1%	A~ BB	A2~ Ba2	A~ BB	A~ BB	A~ BB	0.27%	0.15%		203	0	0	0.00%
	1%≦	BB－~ D	Ba3－~ D	BB－~ D	BB－~ D	BB－~ D	27.45%	21.99%		181	0	0	0.08%
Specialized lending	－	－	－	－	－	－	－	－		－	－	－	－
Equity subject to PD/LGD approach	－	－	－	－	－	－	－	－		－	－	－	－
Purchased receivables (corporate)	－	－	－	－	－	－	－	－		－	－	－	－
Purchased receivables (retail)	－	－	－	－	－	－	－	－		－	－	－	－
Qualifying revolving retail	－	－	－	－	－	－	－	－		－	－	－	－
Residential mortgages	－	－	－	－	－	－	－	－		－	－	－	－
Other retail	－	－	－	－	－	－	－	－		－	－	－	－

Note: Nomura group uses only one internal rating model and this table shows the figures for all exposures under internal rating model except for specialized lending which is using slotting criteria. With regard to exposures to sovereign and bank, these portfolios are aggregated as one portfolio since there are a few obligors in each PD range. Explanation for the treatment of the PD range set in CR9 is omitted as Nomura group is not conducting “Self-assessment” under Financial Revitalization Law. Number of obligors as at end of previous year in column “f” is omitted by applying the transitional arrangement.

<March 31, 2019> (Unit: JPY million, %)

CR10:IRB (SPECIALIZED LENDING AND EQUITIES UNDER THE SIMPLE RISK-WEIGHT METHOD)

a	b	c	d	e	f	g	h	i	j	k	l
Specialized lending (Slotting criteria)											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					Credit RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	24,435	–	50.00%	–	–	–	24,435	24,435	12,217	-
	≧ 2.5 years	46,150	58,945	70.00%	55,438	7,330	–	27,590	90,359	63,251	361
Good	< 2.5 years	53,969	410	70.00%	26,582	–	–	27,694	54,277	37,994	217
	≧ 2.5 years	31,690	2,439	90.00%	14,748	–	–	18,771	33,519	30,167	268
Satisfactory		3,028	68	115.00%	3,080	–	–	–	3,080	3,542	86
Weak		–	–	250.00%	–	–	–	–	–	–	–
Default		–	–	–	–	–	–	–	–	–	–
Total		159,273	61,863	–	99,849	7,330	–	98,491	205,671	147,173	932
HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	Expected losses
Strong	< 2.5 years	–	–	–					–	–	–
	≧ 2.5 years	–	–	–					–	–	–
Good	< 2.5 years	–	–	–					–	–	–
	≧ 2.5 years	–	–	–					–	–	–
Satisfactory		–	–	–					–	–	–
Weak		–	–	–					–	–	–
Default		–	–	–					–	–	–
Total		–	–	–					–	–	–
Equities under the simple risk-weight approach											
Equities under the market-based approach											
Categories		On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	
Exchange-traded equity exposures		496,460	–	300.00%					496,460	1,489,380	
Private equity exposures		69,735	–	400.00%					69,735	278,942	
Internal models method		–	–	–					–	–	
Total		566,195	–	–					566,195	1,768,322	
Equities subject to 100% risk weight											
Equities subject to risk weight 100% as per Article 143, sub-paragraph 1of the Capital Adequacy Notice		–	–	100.00%					–	–	

<March 31, 2018> (Unit: JPY million, %)

CR10:IRB (SPECIALIZED LENDING AND EQUITIES UNDER THE SIMPLE RISK-WEIGHT METHOD)											
a	b	c	d	e	f	g	h	i	j	k	l
Specialized lending (Slotting criteria)											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					Credit RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5years	11,669	－	50.00%	－	－	－	11,669	11,669	5,834	0
	≧ 2.5years	43,939	2,440	70.00%	850	7,689	－	37,229	45,769	32,038	183
Good	< 2.5years	2,108	－	70.00%	－	－	－	2,108	2,108	1,476	8
	≧ 2.5years	57,896	774	90.00%	6,722	－	－	51,754	58,477	52,630	467
Satisfactory		15,878	－	115.00%	－	－	－	15,878	15,878	18,260	444
Weak		1,767	－	250.00%	－	767	－	1,000	1,767	4,418	141
Default		－	－	－	－	－	－	－	－	－	－
Total		133,261	3,214	－	7,572	8,457	－	119,642	135,672	114,658	1,245
HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	Expected losses
Strong	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Good	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Satisfactory		－	－	－					－	－	－
Weak		－	－	－					－	－	－
Default		－	－	－					－	－	－
Total									－	－	－
Equities under the simple risk-weight approach											
Equities under the market-based approach											
Categories		On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	
Exchange-traded equity exposures		484,136	－	300.00%					484,136	1,452,409	
Private equity exposures		58,741	－	400.00%					58,741	234,967	
Internal models method		－	－	－					－	－	
Total		542,878	－	－					542,878	1,687,377	
Equities subject to 100% risk weight											
Equities subject to risk weight 100% as per Article 143, sub-paragraph 1of the Capital Adequacy Notice		609	－	100.00%					609	609	

(5) Counterparty Credit Risk

<March 31, 2019> (Unit: JPY million)

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH							
Item		a	b	c	d	e	f
		RC	PFE	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	143,758	450,614		1.4	916,400	534,519
	Current exposure method	—	—		—	—	—
2	Internal Model Method (for derivatives and SFTs)			3,707,982	1.4	5,307,534	1,358,926
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)					2,535,296	195,415
5	VaR for SFTs					—	—
6	Total						2,088,861

<March 31, 2018> (Unit: JPY million)

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH							
Item		a	b	c	d	e	f
		RC	PFE	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	—	—		—	—	—
	Current exposure method	251,104	415,484			706,113	289,433
2	Internal Model Method (for derivatives and SFTs)			3,757,403	1.4	5,489,638	1,304,460
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)					7,836,419	239,252
5	VaR for SFTs					—	—
6	Total						1,833,146

<March 31, 2019> (Unit: JPY million)

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE			
Item		a	b
		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	3,186,410	768,342
2	(i) VaR component (including the 3×multiplier)		185,391
3	(ii) Stressed VaR component (including the 3×multiplier)		582,950
4	All portfolios subject to the Standardized CVA capital charge	911,020	266,238
5	TOTAL SUBJECT TO THE CVA CAPITAL CHARGE	4,097,431	1,034,580

<March 31, 2018> (Unit: JPY million)

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE			
Item		a	b
		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	3,468,251	1,612,419
2	(i) VaR component (including the 3×multiplier)		113,253
3	(ii) Stressed VaR component (including the 3×multiplier)		1,499,165
4	All portfolios subject to the Standardized CVA capital charge	854,615	148,704
5	TOTAL SUBJECT TO THE CVA CAPITAL CHARGE	4,322,866	1,761,124

<March 31, 2019> (Unit: JPY million)

CCR3: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS										
Item		a	b	c	d	e	f	g	g	i
		EAD post-CRM								
	Regulatory portfolio / Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japan government	–	–	–	–	–	–	–	–	–
2	Foreign government	–	–	27,462	–	–	–	–	–	27,462
3	The bank for internal settlements	–	–	–	–	–	–	–	–	–
4	Local public entities	348	–	–	–	–	–	–	–	348
5	Foreign local public entities and public sector	–	–	–	–	–	–	–	–	–
6	Development banks	–	–	–	–	–	–	–	–	–
7	Japan finance organization for municipalities	–	–	–	–	–	–	–	–	–
8	Non-central government public sector entities	–	–	–	–	–	–	–	–	–
9	Local public sector of real estate	–	–	–	–	–	–	–	–	–
10	Banks and securities dealer	0	–	4,943	3	–	–	–	–	4,946
11	Corporate	–	–	–	–	–	5,002	–	–	5,002
12	Small and medium sized entities and retail	–	–	–	–	–	–	–	–	–
13	Other	–	–	–	–	–	–	–	–	–
14	Total	348	–	32,405	3	–	5,002	–	–	37,759

<March 31, 2018> (Unit: JPY million)

CCR3: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS										
Item		a	b	c	d	e	f	g	g	i
		EAD post-CRM								
	Regulatory portfolio / Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japan government	0	–	–	–	–	–	–	–	0
2	Foreign government	–	–	3,384	4	–	1	–	–	3,389
3	The bank for internal settlements	–	–	–	–	–	–	–	–	–
4	Local public entities	0	–	–	–	–	–	–	–	0
5	Foreign local public entities and public sector	–	–	–	–	–	–	–	–	–
6	Development banks	–	–	–	–	–	–	–	–	–
7	Japan finance organization for municipalities	–	–	–	–	–	–	–	–	–
8	Non-central government public sector entities	–	–	–	–	–	–	–	–	–
9	Local public sector of real estate	–	–	–	–	–	–	–	–	–
10	Banks and securities dealer	–	–	2,626	0	–	6	–	–	2,634
11	Corporate	–	–	–	–	–	4,565	–	–	4,565
12	Small and medium sized entities and retail	–	–	–	–	–	–	–	–	–
13	Other	–	–	–	–	–	–	–	–	–
14	Total	0	–	6,010	5	–	4,572	–	–	10,590

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CCR4: IRB – CCR exposures by portfolio and PD scale

Item		a	b	c	d	e	f	g
	PD range	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)
	Sovereign							
1	0.00 to <0.15	1,542,559	0.01%	0.1	41.39%	0.6	31,176	2.02%
2	0.15 to <0.25	8,130	0.21%	Less than 100 obligors	44.69%	0.7	2,340	28.78%
3	0.25 to <0.5	41,245	0.32%	Less than 100 obligors	45.00%	0.8	16,268	39.44%
4	0.5 to <0.75	4,534	0.66%	Less than 100 obligors	45.00%	0.0	2,197	48.47%
5	0.75 to <2.50	22	2.08%	Less than 100 obligors	45.00%	1.0	21	97.21%
6	2.50 to <10.00	40,792	5.77%	Less than 100 obligors	45.00%	2.0	61,445	150.63%
7	10.00 to <100.00	2,491	27.56%	Less than 100 obligors	45.00%	0.0	5,641	226.44%
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	1,639,775	0.20%	0.1	41.61%	0.7	119,092	7.26%
	Bank							
1	0.00 to <0.15	2,363,867	0.06%	0.3	37.85%	0.8	350,317	14.81%
2	0.15 to <0.25	168,966	0.21%	Less than 100 obligors	27.57%	0.9	38,839	22.98%
3	0.25 to <0.5	518,157	0.36%	0.1	16.31%	1.4	125,873	24.29%
4	0.5 to <0.75	86,906	0.66%	Less than 100 obligors	16.73%	2.1	20,114	23.14%
5	0.75 to <2.50	200,708	1.69%	Less than 100 obligors	12.43%	2.3	46,187	23.01%
6	2.50 to <10.00	46,639	6.90%	Less than 100 obligors	14.38%	1.7	22,347	47.91%
7	10.00 to <100.00	16,075	27.56%	Less than 100 obligors	26.32%	0.7	22,622	140.72%
8	100.00 (Default)	400	100.00%	Less than 100 obligors	45.00%	1.1	0	0.00%
9	Sub-total	3,401,722	0.46%	0.8	31.64%	1.1	626,303	18.41%
	Corporate							
1	0.00 to <0.15	2,248,649	0.07%	5.1	37.03%	1.2	311,920	13.87%
2	0.15 to <0.25	218,234	0.21%	0.4	39.68%	1.2	78,353	35.90%
3	0.25 to <0.5	372,605	0.34%	0.4	31.72%	0.8	145,760	39.11%
4	0.5 to <0.75	286,514	0.66%	0.2	38.10%	1.0	195,856	68.35%
5	0.75 to <2.50	312,037	1.47%	0.3	23.31%	0.9	162,203	51.98%
6	2.50 to <10.00	134,362	7.07%	0.3	42.60%	1.0	208,254	154.99%
7	10.00 to <100.00	106,630	27.56%	1.7	37.42%	1.1	229,633	215.35%
8	100.00 (Default)	941	100.00%	Less than 100 obligors	45.00%	5.0	0	0.00%
9	Sub-total	3,679,974	1.35%	8.8	35.79%	1.1	1,331,981	36.19%
Total (sum of portfolios)		8,721,472	0.79%	9.8	35.26%	1.0	2,077,376	23.81%

<March 31, 2018> (Unit: JPY million, number of obligors in the thousands, %)

CCR4: IRB – CCR exposures by portfolio and PD scale

Item		a	b	c	d	e	f	g
	PD range	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)
	Sovereign							
1	0.00 to <0.15	1,365,449	0.01%	0.1	43.76%	0.4	31,369	2.29%
2	0.15 to <0.25	3,128	0.15%	Less than 100 obligors	45.00%	1.0	775	24.77%
3	0.25 to <0.5	60,641	0.33%	Less than 100 obligors	38.33%	0.8	21,320	35.15%
4	0.5 to <0.75	5,854	0.72%	Less than 100 obligors	45.00%	0.0	3,007	51.37%
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	26,225	6.80%	Less than 100 obligors	45.00%	0.6	37,982	144.83%
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	1,461,299	0.15%	0.1	43.57%	0.5	94,455	6.46%
	Bank							
1	0.00 to <0.15	7,143,386	0.04%	0.3	15.55%	0.4	343,762	4.81%
2	0.15 to <0.25	721,775	0.17%	0.1	24.93%	1.0	138,179	19.14%
3	0.25 to <0.5	755,767	0.38%	0.1	9.34%	1.4	108,346	14.33%
4	0.5 to <0.75	150,137	0.72%	Less than 100 obligors	10.76%	2.0	26,520	17.66%
5	0.75 to <2.50	102,762	1.25%	Less than 100 obligors	10.88%	1.0	21,065	20.49%
6	2.50 to <10.00	26,511	7.27%	Less than 100 obligors	14.52%	1.8	13,052	49.23%
7	10.00 to <100.00	49,317	27.84%	Less than 100 obligors	10.17%	0.7	27,294	55.34%
8	100.00 (Default)	0	100.00%	Less than 100 obligors	45.00%	1.0	0	0.00%
9	Sub-total	8,949,657	0.28%	0.8	15.62%	0.5	678,220	7.57%
	Corporate							
1	0.00 to <0.15	2,073,106	0.05%	4.6	31.61%	0.9	205,960	9.93%
2	0.15 to <0.25	530,533	0.17%	1.1	34.60%	1.7	150,102	28.29%
3	0.25 to <0.5	264,182	0.36%	0.4	37.59%	1.0	118,465	44.84%
4	0.5 to <0.75	227,425	0.72%	0.2	36.69%	1.0	143,189	62.96%
5	0.75 to <2.50	300,610	1.79%	0.3	27.52%	0.8	185,182	61.60%
6	2.50 to <10.00	115,818	6.69%	0.3	33.15%	1.1	141,202	121.91%
7	10.00 to <100.00	98,517	27.84%	1.6	19.27%	1.0	110,589	112.25%
8	100.00 (Default)	429	100.00%	Less than 100 obligors	40.18%	1.2	0	0.00%
9	Sub-total	3,610,623	1.26%	8.8	32.18%	1.0	1,054,692	29.21%
Total (sum of portfolios)		14,021,580	0.52%	9.8	22.80%	0.7	1,827,368	13.03%

Note: “Number of obligors” in column “c” is denoted as “Less than 100 obligors”, where the total count of obligor in any one category is less than 100.

<March 31, 2019> (Unit: JPY million)

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE							
Item		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	―	866,991	―	1,682,168	1,568,136	4,570,841
2	Cash - other currencies	―	2,304,460	―	995,480	33,774,384	33,301,365
3	Domestic sovereign debt	84,268	152,694	349,235	97,539	3,514,075	2,616,447
4	Other sovereign debt	234,595	246,554	21,372	109,123	30,035,473	27,193,223
5	Government agency debt	―	8,882	570	24,094	1,477,257	3,073,389
6	Corporate bonds	18,941	134,052	4,176	19,810	3,931,940	9,200,215
7	Equity securities	3,849	212,811	―	593,353	3,695,981	3,764,306
8	Other collateral	1,348	7,092	―	―	93,214	10,599
9	Total	343,004	3,933,540	375,354	3,521,569	78,090,464	83,730,388

<March 31, 2018> (Unit: JPY million)

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE							
Item		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	―	495,863	―	1,477,900	2,175,592	6,507,822
2	Cash - other currencies	―	2,276,534	―	1,130,001	35,532,956	32,864,405
3	Domestic sovereign debt	26,342	115,458	241,276	84,554	5,732,008	3,648,268
4	Other sovereign debt	190,880	287,092	33,855	92,919	27,530,792	29,263,266
5	Government agency debt	39	1,467	―	―	1,657,656	461,120
6	Corporate bonds	4,236	140,221	12,840	23,034	3,789,231	15,975,611
7	Equity securities	1,834	186,755	―	678,855	3,194,278	3,948,846
8	Other collateral	―	6,906	―	1,201	16,531	35,817
9	Total	223,331	3,510,295	287,971	3,488,463	79,629,044	92,705,155

<March 31, 2019> (Unit: JPY million)

CCR6: CREDIT DERIVATIVES EXPOSURES			
Item		a	b
		Protection bought	Protection sold
	Notional		
1	Single-name credit default swaps	8,490,712	9,206,180
2	Index credit default swaps	5,902,676	5,735,165
3	Total return swaps	928,307	231,013
4	Credit options	12,432	―
5	Other credit derivatives	―	―
6	Total notional	15,334,129	15,172,358
	Fair values		
7	Positive fair value (asset)	64,580	202,326
8	Negative fair value (liability)	(198,807)	(52,362)

<March 31, 2018> (Unit: JPY million)

CCR6: CREDIT DERIVATIVES EXPOSURES			
Item		a	b
		Protection bought	Protection sold
	Notional		
1	Single-name credit default swaps	9,013,849	9,270,947
2	Index credit default swaps	4,446,271	4,842,170
3	Total return swaps	661,678	305,652
4	Credit options	9,795	―
5	Other credit derivatives	―	―
6	Total notional	14,131,594	14,418,770
	Fair values		
7	Positive fair value (asset)	83,792	222,033
8	Negative fair value (liability)	(203,951)	(28,583)

(Unit: Million JPY)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)			
Item			Credit RWA
1	RWA as at end of previous quarter end (December 31, 2018)		1,275,549
2	Movement in risk levels	Asset size	96,926
3		Credit quality of counterparties	(14,635)
4		Model updates (IMM only)	―
5		Methodology and policy (IMM only)	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	1,085
8		Other	―
9	RWA as at end of reporting period (March 31, 2019)		1,358,926

(Unit: Million JPY)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)			
Item			Credit RWA
1	RWA as at end of previous year end (March 31, 2018)		1,304,460
2	Movement in risk levels	Asset size	(61,106)
3		Credit quality of counterparties	(40,774)
4		Model updates (IMM only)	111,523
5		Methodology and policy (IMM only)	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	44,823
8		Other	―
9	RWA as at end of reporting period (March 31, 2019)		1,358,926

<March 31, 2019> (Unit: JPY million)

Item	CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES	a EAD (post-CRM) to CCP	b RWA
1	Exposures to QCCPs (total)		197,577
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,148,297	102,965
3	(i) OTC derivatives	3,893,417	77,868
4	(ii) Exchange-traded derivatives	1,016,576	20,331
5	(iii) Securities financing transactions	238,303	4,766
6	(iv) Netting sets where cross-product netting has been approved	―	―
7	Segregated initial margin	―	
8	Non-segregated initial margin	356,477	7,129
9	Pre-funded default fund contributions	136,430	87,481
10	Unfunded default fund contributions	―	―
11	Exposures to non-QCCPs (total)		172,237
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	125,417	117,140
13	(i) OTC derivatives	89,721	89,721
14	(ii) Exchange-traded derivatives	24,726	24,668
15	(iii) Securities financing transactions	10,969	2,749
16	(iv) Netting sets where cross-product netting has been approved	―	―
17	Segregated initial margin	―	
18	Non-segregated initial margin	28,592	28,590
19	Pre-funded default fund contributions	2,120	26,506
20	Unfunded default fund contributions	―	―

<March 31, 2018> (Unit: JPY million)

Item	CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES	a EAD (post-CRM) to CCP	b RWA
1	Exposures to QCCPs (total)		186,133
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	3,953,620	79,072
3	(i) OTC derivatives	2,663,568	53,271
4	(ii) Exchange-traded derivatives	1,027,533	20,550
5	(iii) Securities financing transactions	262,517	5,250
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	645,902	12,918
9	Pre-funded default fund contributions	164,851	94,142
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		120,316
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	88,306	64,536
13	(i) OTC derivatives	34,599	34,599
14	(ii) Exchange-traded derivatives	20,601	20,262
15	(iii) Securities financing transactions	33,105	9,674
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	23,081	23,080
19	Pre-funded default fund contributions	2,615	32,699
20	Unfunded default fund contributions	—	—

(6) Securitization

SEC1: There are no securitization exposures subject to credit risk.

<March 31, 2019> (Unit: JPY million)

SEC2: SECURITIZATION EXPOSURES IN THE TRADING BOOK

Item	Type of underlying assets	a	b	c	e	f	g	i	j	k
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	－	－	－	21,227	－	21,227	58,783	－	58,783
2	Residential mortgage	－	－	－	21,227	－	21,227	48,747	－	48,747
3	Credit card	－	－	－	－	－	－	－	－	－
4	Other retail exposures	－	－	－	－	－	－	9,346	－	9,346
5	re-securitization	－	－	－	－	－	－	689	－	689
6	Wholesale (total) – of which	－	－	－	－	－	－	72,107	143	72,250
7	Loans to corporates	－	－	－	－	－	－	56,692	－	56,692
8	Commercial mortgage	－	－	－	－	－	－	2,204	143	2,347
9	Lease and receivables	－	－	－	－	－	－	2,758	－	2,758
10	Other wholesale	－	－	－	－	－	－	10,451	－	10,451
11	re-securitization	－	－	－	－	－	－	－	－	－

<March 31, 2018> (Unit: JPY million)

SEC2: SECURITIZATION EXPOSURES IN THE TRADING BOOK

Item	Type of underlying assets	a	b	c	e	f	g	i	j	k
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	－	－	－	12,224	－	12,224	60,576	－	60,576
2	Residential mortgage	－	－	－	12,224	－	12,224	50,205	－	50,205
3	Credit card	－	－	－	－	－	－	－	－	－
4	Other retail exposures	－	－	－	－	－	－	10,370	－	10,370
5	re-securitization	－	－	－	－	－	－	－	－	－
6	Wholesale (total) – of which	－	－	－	－	－	－	72,827	1,212	74,039
7	Loans to corporates	－	－	－	－	－	－	56,093	－	56,093
8	Commercial mortgage	－	－	－	－	－	－	2,369	1,212	3,581
9	Lease and receivables	－	－	－	－	－	－	3,843	－	3,843
10	Other wholesale	－	－	－	－	－	－	10,520	－	10,520
11	re-securitization	－	－	－	－	－	－	－	－	－

SEC3: There are no securitization exposures subject to credit risk.

SEC4: There are no securitization exposures subject to credit risk.

(7) Market Risk

(Unit: JPY million)

MR1: MARKET RISK UNDER STANDARDIZED APPROACH			
Item		RWA	
		March 31, 2019	March 31, 2018
1	Interest rate risk (general and specific)	―	―
2	Equity risk (general and specific)	―	―
3	Foreign exchange risk	―	―
4	Commodity risk	―	―
	Options		
5	Simplified approach	―	―
6	Delta-plus method	―	―
7	Scenario approach	―	―
8	Securitization	1,157,621	1,078,595
9	Total	1,157,621	1,078,595

(Unit: Million JPY)

MR2: RWA flow statements of market risk exposures under an IMA

Item			a	b	c	d	e	f
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at end of previous quarter end (December 31, 2018)		589,100	1,336,106	1,392,254	95,130	－	3,412,592
1b	Adjustment to RWA at previous quarter end (1a divided by 1c)		0.98	0.92	1.04	1.00	－	0.98
1c	Spot RWA as at previous quarter end		600,066	1,441,309	1,337,254	95,130	－	3,473,761
2	Movement in risk levels	Movement in risk levels	7,050	(407,283)	2,746	(32,755)	－	(430,241)
3		Model updates/changes	(34,342)	(57,652)	－	－	－	(91,994)
4		Methodology and policy	－	－	－	－	－	－
5		Acquisitions and disposals	－	－	－	－	－	－
6		Foreign exchange movements	3,851	6,565	9,011	419	－	19,848
7		Other	－	－	－	－	－	－
8a	Spot RWA at end of reporting period (March 31, 2019)		576,627	982,939	1,349,012	62,794	－	2,971,373
8b	Adjustment to RWA at end of reporting period (8c divided by 8a)		1.01	1.06	1.00	1.10	－	1.01
8c	RWA at end of reporting period		584,149	1,051,100	1,349,012	69,211	－	3,053,472

(Unit: Million JPY)

MR2: RWA flow statements of market risk exposures under an IMA

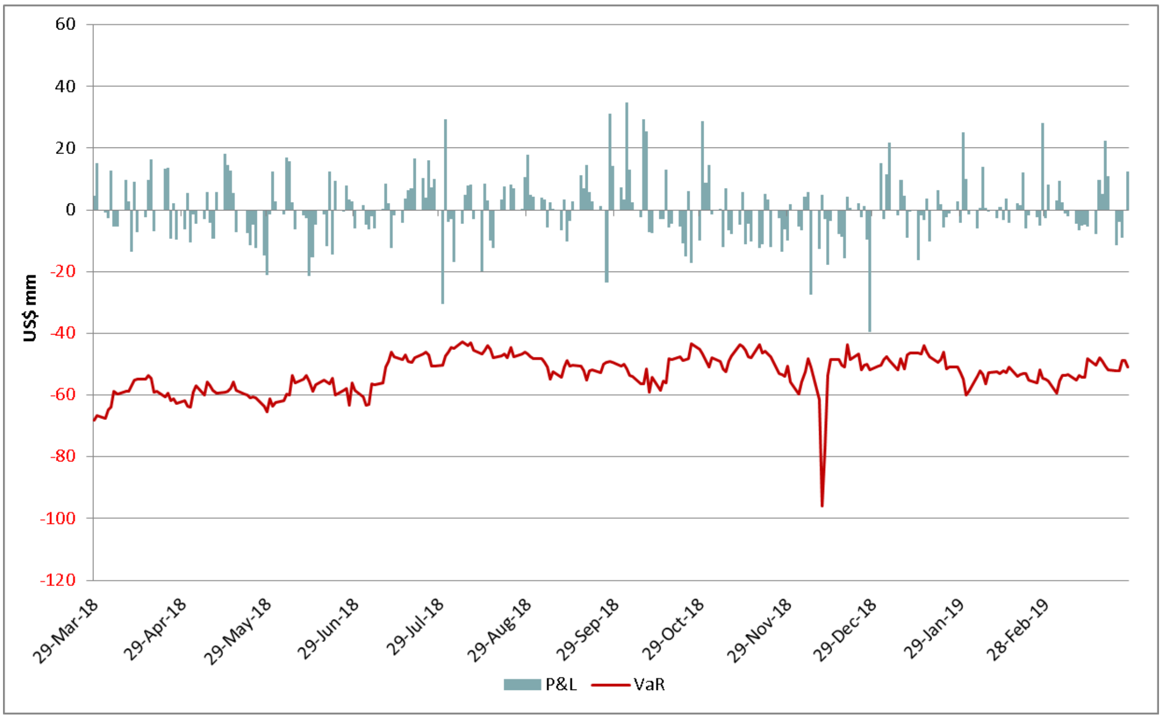
Item			a	b	c	d	e	f
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at end of previous year end (March 31, 2018)		587,519	1,603,517	1,386,928	91,747	－	3,669,711
1b	Adjustment to RWA at previous quarter end (1a divided by 1c)		0.78	1.19	1.02	2.61	－	1.04
1c	Spot RWA as at previous quarter end		745,117	1,340,035	1,351,813	35,082	－	3,472,048
2	Movement in risk levels	Movement in risk levels	(289,294)	(408,590)	(83,615)	24,404	－	(757,095)
3		Model updates/changes	96,624	(15,997)	20,817	－	－	101,444
4		Methodology and policy	－	－	－	－	－	－
5		Acquisitions and disposals	－	－	－	－	－	－
6		Foreign exchange movements	24,180	67,492	59,996	3,306	－	154,975
7		Other	－	－	－	－	－	－
8a	Spot RWA at end of reporting period (March 31, 2019)		576,627	982,939	1,349,012	62,794	－	2,971,373
8b	Adjustment to RWA at end of reporting period (8c divided by 8a)		1.01	1.06	1.00	1.10	－	1.01
8c	RWA at end of reporting period		584,149	1,051,100	1,349,012	69,211	－	3,053,472

(Unit: JPY million)

MR3: IMA VALUES FOR TRADING PORTFOLIOS			
Item		March 31, 2019	March 31, 2018
	VaR (10 day 99%)		
1	Maximum value	30,627	19,935
2	Average value	15,552	13,879
3	Minimum value	11,427	9,723
4	Period end	15,377	19,869
	Stressed VaR (10 day 99%)		
5	Maximum value	76,408	87,715
6	Average value	35,233	33,789
7	Minimum value	21,254	17,865
8	Period end	26,212	35,734
	Incremental Risk Charge (99.9%)		
9	Maximum value	141,833	118,807
10	Average value	111,525	98,950
11	Minimum value	102,334	79,287
12	Period end	107,921	110,954
	Comprehensive Risk capital charge (99.9%)		
13	Maximum value	8,876	8,234
14	Average value	7,088	7,692
15	Minimum value	5,537	6,854
16	Period end	5,537	7,339
17	Floor (standardized measurement method)	5,024	7,339

MR4: Comparison of VaR estimates with gains/losses

There is no back-testing exception for the twelve months ended March 31, 2019.



(8) Interest Rate Risk in Non-trading Book

(1) The loss in economic value due to interest rate shocks (ΔEVE)

As the ΔEVE (Economic Value of Equity) estimated for a parallel shift scenario defined in the relevant disclosure rule, as of end of March 2019, is less than 1% of the consolidated Tier 1 capital, it is deemed immaterial and therefore detailed quantitative disclosure is omitted.

(2) The loss in P&L due to interest rate shocks (ΔNII)

Given the assets and liabilities composition of Nomura Group as described above, the ΔNII (Net Interest Income) is immaterial compared with those of commercial banks operating under the general business model whose balance sheets are mostly composed of loans and deposits in the non-trading book, and therefore detailed quantitative disclosure is omitted.

(9) Macroprudential supervisory measures

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

(Unit: JPY million, %)

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer				
	a	b	c	d
Geographical breakdown	Countercyclical capital buffer rate	Risk-weighted assets used in the computation of the countercyclical capital buffer	Group-specific countercyclical capital buffer rate	Countercyclical buffer amount
Hong Kong SAR	2.50%	20,143		
Sweden	2.00%	9,939		
United Kingdom	1.00%	485,773		
Sum		515,856		
Total		4,758,774	0.11%	1,511,766

Note:As for a column "b", the geographical location of risk-weighted assets are generally identified according to the concept of ultimate risk. Risk-weighted assets for other assets such as lands and buildings, a part of equities, funds and exposures to banks and corporates are calculated by booking entity basis.

(Unit: JPY million)

GSIB1: Disclosure of G-SIB indicators				
Common disclosure template		Individual indicator	March 31, 2019	March 31, 2018
1	Cross-jurisdictional activity	Cross-jurisdictional claims	27,297,023	26,903,139
2		Cross-jurisdictional liabilities	18,713,962	20,086,479
3	Size	Total exposures	56,083,628	78,584,830
4	Interconnectedness	Intra-financial system assets	13,828,887	11,650,416
5		Intra-financial system liabilities	10,173,900	12,335,257
6		Securities outstanding	5,813,590	6,321,842
7	Substitutability/ Financial institution infrastructure	Assets under custody	31,994,802	32,948,358
8		Payment activity	2,031,011,692	1,333,781,642
9		Underwritten transactions in debt and equity markets	14,035,517	11,918,280
10	Complexity	Notional amount of over-the-counter (OTC) derivatives	2,204,380,116	3,106,340,605
11		Level 3 assets	752,052	674,530
12		Trading and available for sale (AFS) securities	4,611,539	5,221,633

CHAPTER 4 TERMS AND CONDITIONS OF THE CAPITAL INSTRUMENTS

1. Nomura Holdings, Inc. Common Stock

Regulatory capital instruments (common stock)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP3762600009
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital
5	Post-transitional Basel III rules	Common Equity Tier 1 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 594,493 million
9	Aggregate nominal amount (5)	
10	Accounting classification (6)	Common Stock
	On consolidated basis	Common Stock
11	Issue Date (7)	
12	Perpetual or dated	Perpetual
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	
18	Coupon rate or dividend rate (12)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	
34	If temporary write-down, description of write-up mechanism	

2. Nomura Holdings, Inc. First Series of Unsecured Perpetual Subordinated Bonds with Optional Redemption Clause and Write-down Clause

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AGD1
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Additional Tier 1 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Nomura Holdings Inc. First Series of Unsecured Perpetual Subordinated Bonds with Optional Redemption Clause and Write-down Clause (for Qualified Institutional Investors Only)
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 165,000 million
9	Aggregate nominal amount (5)	JPY 165,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	27-Jan-16
12	Perpetual or dated	Perpetual
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (8)	First call date:15-Jun-21 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (9)	Early redemption events: The Issuer may, at its discretion, redeem bonds on any interest payment dates on June 15, 2021 or thereafter (unless the principal amount has been written down upon the occurrence of a loss absorption event), or upon the occurrence of a tax event or a capital event (when the Issuer determines, as a result of consultations with the Financial Services Agency of Japan and other relevant regulatory authorities, that there is more than an insubstantial risk that the Bonds will cease to qualify as the Issuer's Additional Tier 1 capital under applicable capital adequacy requirements). Early Redemption Amount: JPY 100 per face value of JPY 100
16	Subsequent call dates, if applicable (10)	15-Jun or 15-Dec from and including 15-Jun-21
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed to Floating
18	Coupon rate or dividend rate (12)	From 27-Jan-16 to 15-Jun-21: 3.36% per annum From 15-Jun-21: 6-month JPY LIBOR plus 3.20 percent
19	Coupon / dividend stopper events (12)	Yes
20	Fully discretionary, partially discretionary or mandatory (13)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	

25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	Yes
31	If write-down, write-down trigger (20)	Events (i), (ii) or (iii) below: (i) Loss absorption event: when the Issuer's consolidated Common Equity Tier 1 capital ratio falls below 5.125%; or (ii) Non-viability event: when the Prime Minister confirms (nintei) that the "specified item 2 measures," which are the measures as set forth in the Deposit Insurance Act, need to be applied to the Issuer; or (iii) Insolvency proceedings commencement event: when it is adjudicated that the Issuer has entered into the bankruptcy and other insolvency proceedings.
32	If write-down, full or partial (21)	Full or partial
33	If write-down, permanent or temporary (22)	Temporary
34	If temporary write-down, description of write-up mechanism	When the Issuer determines that the principal amount of the Bonds that has been written-down be reinstated after obtaining prior confirmation of the Financial Services Agency of Japan and any other relevant Japanese regulatory authorities that the Issuer's consolidated Common Equity Tier 1 capital ratio remains at a sufficiently high level after giving effect.

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security

Clause on the Issuer's financial status

Acceleration clause

Interest cancellation clause

Write-down clause

Reinstatement clause

Subordination clause

3. Nomura Holdings, Inc. Second Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAB8
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Nomura Holdings Inc. Second Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 11,850 million
9	Aggregate nominal amount (5)	JPY 39,500 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed
18	Coupon rate or dividend rate (12)	2.649% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	
34	If temporary write-down, description of write-up mechanism	

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

4. Nomura Holdings, Inc. Third Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260BAB6
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Nomura Holdings Inc. Third Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 17,010 million
9	Aggregate nominal amount (5)	JPY 57,700 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (8)	First call date:26-Nov-20 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (9)	No
16	Subsequent call dates, if applicable (10)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed
18	Coupon rate or dividend rate (12)	2.749% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

5. Nomura Holdings, Inc. Fourth Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260CAB4
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Nomura Holdings Inc. Fourth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 1,800 million
9	Aggregate nominal amount (5)	JPY 6,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (8)	First call date:26-Nov-2020 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (9)	No
16	Subsequent call dates, if applicable (10)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Floating
18	Coupon rate or dividend rate (12)	6-month Euro Yen LIBOR plus 1.0%
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

6. Nomura Holdings, Inc. Fifth Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAC6
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Nomura Holdings Inc. Fifth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 15,000 million
9	Aggregate nominal amount (5)	JPY 50,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	6-Dec-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (8)	First call date:26-Nov-2020 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (9)	No
16	Subsequent call dates, if applicable (10)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed
18	Coupon rate or dividend rate (12)	2.773% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

7. Minority Interest

Regulatory capital instruments (minority interest)

CCA: Main features of regulatory capital instruments		
1	Issuer	Sugimura Warehouse Co., Ltd., Nomura Asset Management Taiwan Ltd. and others
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law, Law of Hong Kong and others
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 1,542 million
9	Aggregate nominal amount (5)	
10	Accounting classification (6)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (7)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	
18	Coupon rate or dividend rate (12)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

CHAPTER 5 DISCLOSURE ON LEVERAGE RATIO

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2	Leverage ratio common disclosure template Table 1	Items	March 31, 2019	December 31, 2018	March 31, 2018
On-balance sheet exposures					
1		On-balance sheet items (excluding derivatives and SFTs, but including collateral)	22,412,684	25,032,527	22,483,092
1a	1	Total consolidated assets as per published financial statements	40,969,438	45,113,022	40,591,329
1b	2	(The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis)	115,429	114,147	24,108
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—	—
1d	3	(The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (excluding asset amounts deducted in determining Basel III Tier 1 capital))	18,441,324	19,966,348	18,084,129
2	7	(Asset amounts deducted in determining Basel III Tier 1 capital)	161,056	153,592	240,397
3		Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	22,251,628	24,878,935	22,242,695
Derivative exposures					
4		Replacement cost associated with all derivatives transactions multiplied by 1.4	1,564,333		
		Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	—	1,075,113	2,015,083
5		Add-on amounts for PFE associated with all derivatives transactions multiplied by 1.4	5,266,225		
		Add-on amounts for PFE associated with all derivatives transactions	—	9,362,833	9,774,742
		Pledged cash collateral associated with all derivatives transactions	—	256,360	516,764
6		Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	1,319,694		
		Gross-up for derivatives cash margin provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	1,250,781	1,201,237
7		(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	1,510,140	1,133,703	497,667
8		(Exempted CCP leg of client-cleared trade exposures)			
9		Adjusted effective notional amount of written credit derivatives	15,267,601	14,936,011	14,377,859
10		(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	13,730,083	13,483,628	12,643,745
11	4	Total derivative exposures (sum of lines 4 to 10)	8,177,629	12,263,768	14,744,272

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2	Leverage ratio common disclosure template Table 1	Items	March 31, 2019	December 31, 2018	March 31, 2018
Securities financing transaction exposures					
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	36,424,638	39,746,357	37,984,227
13		(Netted amounts of cash payables and cash receivables of gross SFT assets)	19,117,679	21,123,244	21,746,485
14		CCR exposure for SFT assets	1,843,448	1,566,794	1,766,456
15		Agent transaction exposures			
16	5	Total securities financing transaction exposures (sum of lines 12 to 15)	19,150,408	20,189,907	18,004,199
Other off-balance sheet exposures					
17		Off-balance sheet exposure at gross notional amount	3,613,945	2,988,346	1,641,311
18		(Adjustments for conversion to credit equivalent amounts)	1,386,467	1,152,831	497,391
19	6	Off-balance sheet items (sum of lines 17 and 18)	2,227,477	1,835,514	1,143,920
Capital and total exposures					
20		Tier 1 capital	2,605,940	2,637,925	2,666,367
21	8	Total exposures (sum of lines 3, 11, 16 and 19)	51,807,144	59,168,126	56,135,087
22		Basel III leverage ratio	5.03%	4.45%	4.74%

Note: Increase of Basel III leverage ratio is mainly due to decrease of Derivative exposures with SACCR implementation in Total exposures.

PART 2: NHI Consolidated Liquidity Coverage Ratios

CHAPTER 1 QUANTITATIVE DISCLOSURE

(Unit: JPY million; % or Number of Cases)

Item		Highest designated parent company's current quarterly period (Fiscal year ended March 2019, 4th Quarter)		Highest designated parent company's previous quarterly period (Fiscal year ended March 2019, 3rd Quarter)	
High quality liquid assets (1)					
1	Total high quality liquid assets	4,319,594		4,453,912	
Cash outflows (2)		Before being multiplied by run-off rates	After being multiplied by run-off rates	Before being multiplied by run-off rates	After being multiplied by run-off rates
2	Cash outflows related to unsecured retail funding	533,659	157,801	419,697	46,495
3	Out of which, stable deposits	—	—	—	—
4	Out of which, less stable deposits	533,659	157,801	419,697	46,495
5	Cash outflows related to unsecured wholesale funding	1,484,265	1,322,260	1,406,360	1,242,715
6	Out of which, qualifying operational deposits	—	—	—	—
7	Out of which, cash related to unsecured wholesale funding other than qualifying operational deposits and debt securities	1,077,526	915,521	1,123,787	960,142
8	Out of which, debt securities	406,738	406,738	282,573	282,573
9	Cash outflows related to secured funding, etc.		3,003,562		2,994,835
10	Cash outflows related to the derivatives, funding programs, and credit and liquidity facilities	1,959,434	1,685,658	2,284,665	2,024,400
11	Out of which, cash outflows related to the derivative transaction, etc.	1,552,894	1,552,894	1,899,443	1,899,443
12	Out of which, cash outflows related to funding programs	—	—	—	—
13	Out of which, cash outflows related to credit and liquidity facilities	406,539	132,764	385,222	124,957
14	Cash outflows based on obligations to provide funds, etc.	3,822,238	1,033,481	4,472,753	1,202,145
15	Cash outflows related to contingencies	439,595	217,384	434,603	221,522
16	Total cash outflows		7,409,884		7,732,112
Cash inflows (3)		Before being multiplied by inflow rates	After being multiplied by inflow rates	Before being multiplied by inflow rates	After being multiplied by inflow rates
17	Cash inflows related to secured investments, etc.	31,552,734	2,373,160	31,509,705	2,290,461
18	Cash inflows related to collection of loans, etc.	1,171,478	1,064,784	1,057,100	965,295
19	Other cash inflows	4,204,474	1,790,705	5,175,886	2,176,245
20	Total cash inflows	36,928,686	5,228,649	37,742,692	5,432,000
Consolidated liquidity coverage ratio (4)					
21	Total high quality liquid assets allowed to be included		4,319,594		4,453,912
22	Net cash outflows		2,191,058		2,300,540
23	Consolidated liquidity coverage ratio		198.4%		196.7%
24	Number of data used to calculate averages	58		62	

CHAPTER 2 QUALITATIVE DISCLOSURE

1. Consolidated Liquidity Coverage Ratio Fluctuations Explained in a Chronological Order

For the fourth quarter of the year ended March 31, 2019, the daily average of Nomura Group's total high quality liquid assets decreased by 134,318 million yen to 4,319,594 million yen compared with the third quarter, cash outflows related to the derivative transaction, etc. decreased by 346,549 million yen to 1,552,894 million yen compared with the third quarter, cash outflows based on obligations to provide funds, etc. decreased by 168,663 million yen to 1,033,481 million yen compared with the third quarter, Other cash inflows decreased by 385,540 million yen to 1,790,705 million yen compared with the third quarter, and total net cash outflows decreased by 109,482 million yen to 2,191,058 million yen compared with the third quarter.

As a result, for the fourth quarter of the year ended March 31, 2019, the daily average of the consolidated liquidity coverage ratio was at 198.4%.

The main factors causing fluctuation in Nomura Group's consolidated liquidity coverage ratio are changes in trading inventory holdings and related secured financing transactions. In addition, exchanges of collateral related to the firm's derivatives portfolio also contributes to LCR fluctuation.

2. Assessment of the Levels of the Consolidated Liquidity Coverage Ratio

The daily average of Nomura Group's consolidated liquidity coverage ratio for the fourth quarter of the year ended March 31, 2019, sufficiently exceeded the minimum level required by the law.

At Nomura Group, we establish the risk appetite for the consolidated liquidity coverage ratio and ensure that the consolidated liquidity coverage ratio sufficiently exceeds the minimum level required by the law on a daily basis.

3. Composition of the Stock of High Quality Liquid Assets

There were no significant movements in the composition of the stock of high quality liquid assets.

4. Other Matters Relating to Consolidated Liquidity Coverage Ratio

There are no other matters of significance to note.

CHAPTER 3 DISCLOSURE ON LIQUIDITY RISK MANAGEMENT POLICY

1. Liquidity Risk Management Policy and Operation

We define liquidity risk as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels due to deterioration of the Nomura Group's creditworthiness or deterioration in market conditions. This risk could arise from Nomura-specific or market-wide events such as inability to access the secured or unsecured debt markets, a deterioration in our credit ratings, a failure to manage unplanned changes in funding requirements, a failure to liquidate assets quickly and with minimal loss in value, or changes in regulatory capital restrictions which may prevent the free flow of funds between different group entities. Our global liquidity risk management policy is based on liquidity risk appetite formulated by the Executive Management Board ("EMB"). Nomura's liquidity risk management, under market-wide stress and in addition, under Nomura-specific stress, seeks to ensure enough continuous liquidity to meet all funding requirements and unsecured debt obligations across one year and 30-day periods, respectively, without raising funds through unsecured funding or through the liquidation of assets.

We have in place a number of liquidity risk management frameworks that enable us to achieve our primary liquidity objective. These frameworks include (1) Centralized Control of Residual Cash and Maintenance of Liquidity Portfolio; (2) Utilization of Unencumbered Assets as Part of Our Liquidity Portfolio; (3) Appropriate Funding and Diversification of Funding Sources and Maturities Commensurate with the Composition of Assets; (4) Management of Credit Lines to Nomura Group Entities; (5) Implementation of Liquidity Stress Tests; and (6) Contingency Funding Plan.

Our EMB has the authority to make decisions concerning group liquidity management. The Chief Financial Officer ("CFO") has the operational authority and responsibility over our liquidity management based on decisions made by the EMB.

2. Liquidity Risk Management Framework

(1) Centralized Control of Residual Cash and Maintenance of Liquidity Portfolio

We centrally control residual cash held at Nomura Group entities for effective liquidity utilization purposes. As for the usage of funds, the CFO decides the maximum amount of available funds, provided without posting any collateral, for allocation within Nomura and the EMB allocates the funds to each business division. Global Treasury monitors usage by businesses and reports to the EMB.

In order to enable us to transfer funds smoothly between group entities, we limit the issuance of securities by regulated broker-dealers or banking entities within Nomura Group and seek to raise unsecured funding primarily through us or through unregulated subsidiaries. The primary benefits of this strategy include cost minimization, wider investor name recognition and greater flexibility in providing funding to various subsidiaries across Nomura Group.

To meet any potential liquidity requirement, we maintain a liquidity portfolio, managed by Global Treasury apart from other assets, in the form of cash and highly liquid, unencumbered securities that may be sold or pledged to provide liquidity. As of March 31, 2019, our liquidity portfolio was 4,870.5 billion Yen which sufficiently met liquidity requirements under the stress scenarios.

(2) Utilization of Unencumbered Assets as Part of Our Liquidity Portfolio

In addition to our liquidity portfolio, we had 2,268.1 billion yen of other unencumbered assets comprising mainly of unpledged trading assets that can be used as an additional source of secured funding. Global Treasury monitors other unencumbered assets and can, under a liquidity stress event when the contingency funding plan has been invoked, monetize and utilize the cash generated as a result. The aggregate of our liquidity portfolio and other unencumbered assets as of March 31, 2019 was 7,138.6 billion yen, which represented 283.4% of our total unsecured debt maturing within one year.

(3) Appropriate Funding and Diversification of Funding Sources and Maturities Commensurate with the Composition of Assets

We seek to maintain a surplus of long-term debt and equity above the cash capital requirements of our assets. We also seek to achieve diversification of our funding by market, instrument type, investors, currency, and staggered maturities in order to reduce unsecured refinancing risk.

(4) Management of Credit Lines to Nomura Group Entities

We maintain and expand credit lines to Nomura Group entities from other financial institutions to secure stable funding. We ensure that the maturity dates of borrowing agreements are distributed evenly throughout the year in order to prevent excessive maturities in any given period.

(5) Implementation of Liquidity Stress Tests

We maintain our liquidity portfolio and monitor the sufficiency of our liquidity based on an internal model which simulates changes in cash outflow under specified stress scenarios to comply with our above mentioned liquidity management policy.

We assess the liquidity requirements of Nomura Group under various stress scenarios with differing levels of severity over multiple time horizons. We evaluate these requirements under Nomura-specific and broad market-wide events, including potential credit rating downgrades at the parent and subsidiary levels that may impact us by loss of access to unsecured capital markets, additional collateral posting requirements, limited or no access to secured funding markets and other events. We call this risk analysis our Maximum Cumulative Outflow ("MCO") framework.

The MCO framework is designed to incorporate the primary liquidity risks and models the relevant future cash flows in the following two primary scenarios:

- Stressed scenario: To maintain adequate liquidity during a severe market-wide liquidity event without raising funds through unsecured financing or through the liquidation of assets for a year; and
- Acute stress scenario: To maintain adequate liquidity during a severe market-wide liquidity event coupled with credit concerns regarding Nomura's liquidity position, without raising funds through unsecured funding or through the liquidation of assets for 30 days.

We assume that Nomura will not be able to liquidate assets or adjust its business model during the time horizons used in each of these scenarios. The MCO framework therefore defines the amount of liquidity required to be held in order to meet our expected liquidity needs in a stress event to a level we believe appropriate based on our liquidity risk appetite.

As of March 31, 2019, our liquidity portfolio exceeded net cash outflows under the stress scenarios described above.

We constantly evaluate and modify our liquidity risk assumptions based on regulatory and market changes. The model we use in order to simulate the impact of stress scenarios includes the following assumptions:

- No liquidation of assets;
- No ability to issue additional unsecured funding;
- Upcoming maturities of unsecured debt (maturities less than one year);
- Potential buybacks of our outstanding debt;
- Loss of secured funding lines particularly for less liquid assets,
- Fluctuation of funding needs under normal business circumstances;
- Cash deposits and free collateral roll-off in a stress event;
- Widening of haircuts on outstanding repo funding;
- Additional collateralization requirements of clearing banks and depositories;
- Drawdown on loan commitments;
- Loss of liquidity from market losses;
- Assuming a two-notch downgrade of our credit ratings, the aggregate fair value of assets that we would be required to post as additional collateral in connection with our derivative contracts;
- Legal and regulatory requirements that can restrict the flow of funds between entities in Nomura Group.

(6) Contingency Funding Plan

We have developed a detailed contingency funding plan ("CFP") to integrate liquidity risk control into our comprehensive risk management strategy and to enhance the quantitative aspects of our liquidity risk control procedures. As a part of our CFP, we have developed an approach for analyzing and quantifying the impact of any liquidity crisis. This allows us to estimate the likely impact of both Nomura specific and market-wide events; and specifies the immediate action to be taken to mitigate any risk. The CFP lists details of key internal and external parties to be contacted and the processes by which information is to be disseminated. This has been developed at a legal entity level in order to capture specific cash requirements at the local level assuming that the parent company does not have access to cash that may be trapped at a subsidiary level due to regulatory, legal or tax constraints. We periodically test the effectiveness of our funding plans for different Nomura-specific and market-wide events. We also have access to central banks including, but not exclusively, the Bank of Japan, which provide financing against various types of securities. These operations are accessed in the normal course of business and are an important tool in mitigating contingent risk from market disruptions.

3. Other Liquidity Risk Management

There are no other matters of significance to note.

PART 3: Disclosure Policy

"Policy for NHI consolidated Pillar 3 Disclosures" has been established in order to assure and maintain appropriateness of our disclosure based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." . This policy was approved by EMB.

Disclosure Committee and CFO shall confirm Pillar 3 Report is appropriately created in line with the procedure established by each department. Pillar 3 Report shall be reported to EMB after their disclosure. Internal Audit Department shall periodically review the effectiveness of the procedures.